

2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2015 | City of Plymouth, Minnesota



Photo by Lisa Keller

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
CITY OF PLYMOUTH, MINNESOTA**

**For The Year Ended
December 31, 2015**

Dave Callister – City Manager

**Prepared by
Administrative Services Department, Finance Division**

**Members of the Government Finance Officers
Association of the United States and Canada**

This page intentionally left blank



INTRODUCTORY SECTION

CITY OF PLYMOUTH, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2015

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>	<u>NUMBER</u>
Letter of Transmittal.....	v
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	ix
Organizational Chart	x
Listing of City Officials	xi
 <u>FINANCIAL SECTION</u>	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	13
Statement of Activities	14
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund.....	25
Transit System Special Revenue Fund	26
Proprietary Funds:	
Statement of Net Position	28
Statement of Revenues, Expenses, and Changes in Net Position	32
Statement of Cash Flows	34
Notes to Financial Statements.....	39
Required Supplementary Information	
PERA Pension Plans:	
Schedule of City’s Proportionate Share of Net Pension Liability	73
Schedule of Employer Contributions	73
Schedule of Change in Plymouth Firefighters’ Relief Association Net Pension Asset and Related Ratios	74
Schedule of Employer Contributions – Plymouth Firefighters’ Relief Association.....	74
Other Postemployment Benefits Plan Schedule of Funding Progress	75

**CITY OF PLYMOUTH, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended December 31, 2015**

TABLE OF CONTENTS

<u>FINANCIAL SECTION (CONTINUED)</u>	<u>PAGE NUMBER</u>
Supplementary Information:	
Nonmajor Governmental Combining and Individual Funds Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds.....	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	78
Special Revenue Funds – Nonmajor:	
Combining Balance Sheet.....	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	82
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Recreation Special Revenue Fund.....	84
Community Development Block Grant Special Revenue Fund.....	85
Debt Service Funds – Nonmajor:	
Combining Balance Sheet.....	87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	88
Capital Projects Funds – Nonmajor:	
Combining Balance Sheet.....	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	92
Permanent Fund – Nonmajor:	
Comparative Balance Sheet.....	95
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	96
General Fund Comparative Information	
Comparative Balance Sheet.....	97
Schedule of Revenues and Transfers – Budget and Actual.....	98
Schedule of Expenditures and Transfers – Budget and Actual.....	99
Proprietary Combining and Individual Funds Statements:	
Enterprise Funds – Nonmajor:	
Combining Statement of Net Position.....	101
Combining Statement of Revenues, Expenses, and Changes In Net Position.....	102
Combining Statement of Cash Flows.....	103

**CITY OF PLYMOUTH, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended December 31, 2015**

TABLE OF CONTENTS

<u>FINANCIAL SECTION (CONTINUED)</u>	<u>PAGE NUMBER</u>
Internal Service Funds:	
Combining Statement of Net Position	104
Combining Statement of Revenues, Expenses, and Changes In Net Position	106
Combining Statement of Cash Flows	108
Component Unit Financial Statements:	
Housing and Redevelopment Authority:	
Government-wide Financial Statements:	
Statement of Net Position	113
Statement of Activities.....	114
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	116
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	117
Statement of Revenues, Expenditures, and Changes in Fund Balances	118
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds to the Statement of Activities	119
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund	120
Housing Assistance Special Revenue Fund	121
Proprietary Funds	
Statement of Net Position.....	122
Statement of Revenues, Expenses, and Changes in Net Position.....	123
Statement of Cash Flows.....	124
Financial Data Schedule:	
Balance Sheet – Housing Choice Vouchers.....	125
Income Statement – Housing Choice Vouchers	126
Balance Sheet – Mainstream Vouchers	127
Income Statement – Mainstream Vouchers	128
Balance Sheet – State/Local.....	129
Income Statement – State/Local	130
Balance Sheet –Business Activities	131
Income Statement – Business Activities.....	132
Notes to Financial Data Schedule.....	134

CITY OF PLYMOUTH, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2015

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>PAGE NUMBER</u>
Net Position by Component	135
Changes in Net Position	136
Governmental Activities Tax Revenues by Source	138
Fund Balances of Governmental Funds	139
Changes in Fund Balances of Governmental Funds.....	140
General Governmental Tax Revenues by Source.....	142
Assessed Value/Tax Capacity Value and Estimated Market Value	143
Direct and Overlapping Property Tax Rates.....	144
Principal Property Taxpayers	145
Property Tax Levies and Collections	146
Ratios of Outstanding Debt by Type.....	147
Ratios of General Bonded Debt Outstanding	148
Direct and Overlapping Governmental Activities Debt	149
Legal Debt Margin Information	150
Pledged-Revenue Coverage.....	151
Demographic and Economic Statistics	152
Principal Employers	153
Full-Time Equivalent City Government Employees by Function	154
Operating Indicators by Function.....	155
Capital Asset Statistics by Function/Program	156



June 30, 2016

Honorable Mayor, Members of the City Council,
City Manager, and Residents
City of Plymouth, Minnesota

Minnesota Statutes require all cities to prepare and issue an annual report on their financial position and activity in accordance with U.S. Generally Accepted Accounting Principles (GAAP), and audited in accordance with U.S. Generally Accepted Auditing Standards by a firm of licensed certified public accountants, or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Plymouth for the fiscal year ended December 31, 2015.

This report consists of management's representations of the City of Plymouth's finances. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation for the city's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the city's comprehensive framework of internal controls was designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief the financial report is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the city as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the city's financial affairs have been included.

The City of Plymouth's financial statements were audited by Malloy, Montague, Karnowski, Radosevich, & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Plymouth's financial statements for the fiscal year ended December 31, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The organization, form, and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada, the American Institute of Certified Public Accountants, the Minnesota State Auditor's Office, and the Plymouth City Charter.

This transmittal letter is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with the MD&A. The MD&A can be found immediately following the independent auditors' report.

Reporting Entity

In accordance with GASB statements, included are all funds of the city and its component unit, the Plymouth Housing and Redevelopment Authority (HRA). The HRA is included as a discretely presented component unit.

Profile of the Government

The City of Plymouth, incorporated in 1955, is a suburban community located northwest of Minneapolis in Hennepin County. The City has a land area of 35 square miles and serves a population of approximately 74,000 residents. Plymouth is currently the 7th largest city in the state. The city has excellent access to the Minneapolis-St. Paul metropolitan area via interstate highways I-494 and I-394, US Highway 169 and Minnesota State Highway 55.

Policymaking and legislative authority are vested in the City Council consisting of a mayor, four ward council members, and two at-large council members. The mayor and council members are elected on a non-partisan basis to serve four-year terms, with council members serving staggered terms. The Council is responsible for passing ordinances, adopting the budget, appointing board and commission members, and hiring a city manager. The city manager is responsible for carrying out the policies and ordinances of the Council, overseeing day-to-day operations of city government, and for hiring all employees.

The city provides a full range of services to residents and businesses, including police and fire protection, construction and maintenance of streets, municipal water and sanitary sewer service, maintaining parks and trails, providing recreational activities, planning, zoning and inspection services, transit services and administration.

The annual budget serves as the foundation for financial planning and control. The city uses a biennial budget model, covering two fiscal years, for planning purposes. The first year of the budget is adopted as the annual budget; the second year is adopted in concept, pending the approval of a new tax levy in the second year. All departments and agencies submit requests for appropriation to the city manager in July of each year. The city manager uses these requests as the starting point for developing a proposed budget. The proposed budget is presented to the Council for review prior to August 31. The Council adopts a preliminary budget and tax levy by September 15 of each year. Minnesota Statutes require a budget meeting be held for the public to provide comments. The final budget and tax levy are adopted by December 31, the close of the City of Plymouth's fiscal year.

Economic Condition and Outlook

The city's population grew substantially during the 1980s and 1990s, increasing by 61%. Plymouth's population increased 29% from 1990 to 2000; 7% from 2000 to 2010 and 5% from 2010 to 2015. As of 2015 the population is 74,016. The key relationship between development and the budget is our ability to generate sufficient funds to deliver appropriate public services.

The city continued a progressive and sound financial program throughout 2015, while providing core services as well as services that are intended to enhance quality of life. Community surveys and national publications rate Plymouth's services at a very high level.

In 2013, the city produced its fourth biennial budget covering fiscal years 2014-2015. This important document required significant planning and scenario-building to ensure a workable operating budget under changing economic conditions. In July of 2014, the city reviewed and updated the second year (2015) of this document following the outcomes of legislative adjustments and performed a review of revenue and expenditure patterns for the most recent activity trends.

Although current external economic conditions are challenging, Plymouth’s continued growth and sound financial condition, as reflected in the following financial report, place the city in an enviable position.

The payable 2015 total estimated market value of the City was \$9,580,334,800 an increase of \$641,925,600 from 2014. The increase in total market value between payable 2014 and payable 2015 was 7.2%, trending more favorably than last year.

Commercial and residential growth is increasing as development expands to the northwest area of the City and as commercial properties redevelop.

Source: Metropolitan Council

Year	Population	Households	Employment
1970	18,077	4,645	6,060
1980	31,615	10,491	20,212
1990	50,889	18,361	38,103
2000	65,894	24,820	53,491
2010	70,576	28,663	46,227
2020	75,400	31,200	53,900
2030	80,200	33,000	57,700
2040	83,600	34,200	61,500

** Population figures through 2010 are based on census reporting.

Important Events and Future Prospects

Planning is the key to the development of a diverse economic base without sacrificing the standards required to ensure quality and order. Industrial, commercial and utility properties make up about 40% of the city’s tax capacity. The city’s land use guide plan designates all land uses including areas available for commercial and industrial development.

The City continues to rely on its Comprehensive Plan, a long-term planning document that guides the community’s future development and redevelopment.

In 2015, the City began the process of implementing new utility billing software. This software will enhance reporting, streamline processes and improve accuracy for customers. To coincide with this project, the City also began the process of a meter-change out project that will update all meters older than seven years to radio read technology. This project will also contribute to a higher level of accuracy and improved efficiency of the meter reading and billing process.

In addition, the City continued to focus on long-term planning. One of the tools that was implemented in 2015, is the 10-year financial plan. This forecast provides the City the ability to be proactive in its approach to different economic factors.

Plymouth is continually evaluating it’s position to ensure the community is prepared for future phases of development and redevelopment, able to adapt to unforeseen economic challenges, and able to meet the needs of a maturing community.

Accounting System and Budgetary Control

Accounting records are maintained on the accrual or modified accrual basis, as appropriate. Budgetary control is maintained by an encumbrance system whereby purchase orders are pre-audited as to availability of funds prior to their release to vendors. Purchase orders which exceed appropriation balances, or were not approved, are not released until funding is available or approval is given. Open encumbrances are reported as assignments of fund balance. The budget, as adopted, can be revised by the City Council and a contingency appropriation is provided for. All amendments, individual and in total, were not material in relation to the original appropriation.

Independent Audit

State statutes require an annual audit of the books of account, financial records, and transactions of all administrative departments by independent certified public accountants selected by the City Council. The city is in compliance with state statutes, and the independent auditors' report has been included in this report.

Awards and Acknowledgements

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Plymouth for its Comprehensive Annual Financial Report for the year ended December 31, 2014. This was the 33rd consecutive year that the City of Plymouth has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy GAAP requirements and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements, and it will be submitted to the GFOA to determine eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Administrative Services Department. We would like to express our appreciation to all members of the department for their work in preparing this report. We also wish to thank the city manager and members of the City Council for their interest and support in planning and conducting the financial operations of the city in a responsible and progressive manner.

Respectfully submitted,



Jodi Bursheim
Finance Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Plymouth
Minnesota**

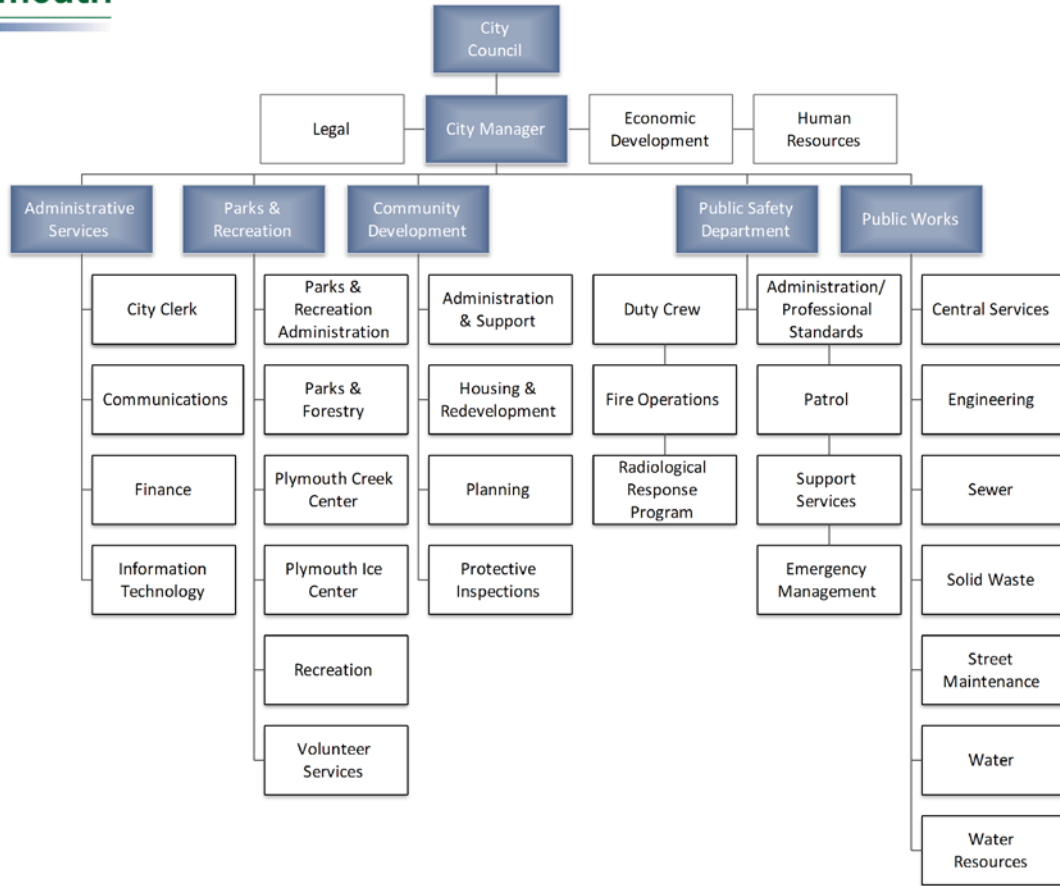
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



**Organizational Chart
November 2015**



**City of Plymouth
LISTING OF CITY OFFICIALS
at December 31, 2015**

Elected Officials

	<u>Ward</u>	<u>Term of Office</u>	<u>Term Expires</u>
Mayor Kelli Slavik		Four Years	12-31-18
Councilmember Judy Johnson	1	Four Years	12-31-16
Councilmember Jeffry Wosje	2	Four Years	12-31-18
Councilmember Marge Beard	3	Four Years	12-31-16
Councilmember Jim Prom	4	Four Years	12-31-18
Councilmember Ned Carroll	At-Large	Four Years	12-31-18
Councilmember Jim Willis	At-Large	Four Years	12-31-16

City Officials and Department Directors

City Manager	Dave Callister
Director of Administrative Services	Luke Fischer
Director of Community Development	Steve Juetten
Director of Parks and Recreation	Diane Evans
Director of Public Works	Doran Cote
Director of Public Safety	Mike Goldstein
Fire Chief	Rodger Coppa
City Clerk	Sandy Engdahl
City Attorney	Roger Knutson
City Assessor	Hennepin County

This page intentionally left blank



FINANCIAL SECTION



PRINCIPALS

Thomas M. Montague, CPA
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Plymouth, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plymouth, Minnesota (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and the major special revenue fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 1 of the notes to basic financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, during the year ended December 31, 2015. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

(continued)

Prior Year Comparative Information

We have previously audited the City's 2014 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated June 5, 2015. In our opinion, the partial comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota
June 10, 2016

City of Plymouth, Minnesota
For the Year Ended December 31, 2015
Management's Discussion and Analysis

As management of the City of Plymouth, we offer readers of the City of Plymouth's financial statements this narrative overview and analysis of the financial activities of the City of Plymouth for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-viii of this report.

Financial Highlights

- At year-end 2015, the City of Plymouth's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$436.8 million (*net position*). Net position consisted of:
 - \$48.5 million (11.1% of total net position) restricted for specific purposes
 - \$302.8 million (69.3% of total net position) represent the City's investment in long-term assets (including roads, bridges and other infrastructure assets) net of long-term debt used to finance these assets
 - \$85.5 million (19.6% of total net position) are unrestricted and are available to meet the City's obligations consistent with City policy, legislative intent and direction of the City Council.
- Governmental activities recognized an increase in net position of \$3.4 million and business-type activities resulted in a decrease of \$1.7 million. Overall, the City's net position increased by \$1.7 million in 2015. Permit revenue increased significantly due to elevated development activity throughout the city; along with increased capital project construction activity, cost savings from personnel attrition and overall restraint on spending resulted in an increase of \$15.4 million to the net position. The change in accounting principle for pension reporting reduced net position by \$13.7 million, resulting in an overall increase of \$1.7 million.
- The City's governmental funds reported combined ending fund balances of approximately \$82.6 million. Unlike net position, governmental fund balance measures only currently available, spendable resources. Approximately \$123 thousand of total governmental fund balances are nonspendable such as inventory, prepaid items and principal of the Cemetery Perpetual Care fund. The city's restricted fund balance is approximately \$19.1 million for specific purposes that are subject to external legal restrictions such as debt service and other restrictive uses. The remainder fund balance of \$63.4 million is comprised of \$49.1 million of assigned fund balance for purposes such as construction of long-term assets or other desired uses and \$14.3 million is unassigned.
- The City's main operating fund, the General Fund, reported a year-end balance of approximately \$14.6 million. The General Fund's balance represents approximately 40% of subsequent year annual budgeted spending in this fund. Fund balance in the General Fund increased \$1.2 million during the year.
- The City's total governmental activity bonded debt decreased by approximately \$3.0 million, or 17.4% from the prior-year. This debt represents a very modest ratio of only 4.9% of governmental net position. The City's restricted resources for governmental debt service are approximately \$2.0 million which represents approximately 14.2% of governmental debt outstanding at year-end. The City's business-type activity bonded debt decreased \$951 thousand. Net revenues of the Water Sewer Utility are pledged for the debt service of the business-type activities.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City of Plymouth's basic financial statements. The City of Plymouth's basic financial statements are comprised of three components: government-wide

financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements - *government-wide financial statements* provide users with a broad overview of the City's finances similar to the financial statements of private-sector businesses.

The *statement of net position* presents information on all of the City of Plymouth's assets, liabilities and deferred inflows/outflows as applicable, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Plymouth is improving or deteriorating.

The *statement of activities* presents information showing how the City of Plymouth's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Plymouth that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Plymouth include general government, economic development, parks and recreation, public safety, public service, and public works. Business-type activities are primarily financed through user-charges or fees. The business-type activities of the City of Plymouth include the water sewer utility, ice center, water resources, solid waste management and field house.

The government-wide financial statements can be found on pages 13-15 of this report.

Fund Financial Statements – A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City Council establishes funds for a variety of purposes, the most important of which is to promote fulfilling its stewardship role with respect to using certain resources such as taxes and grants. The City of Plymouth's funds are divided into two major groups: governmental funds and proprietary funds. Each of these types of funds needs and uses different accounting approaches to provide information relevant to their functions.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a governments near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The governmental fund statements are on pages 18-26 of this report.

Proprietary Fund statements, like the government-wide statements, measure all the economic resources of a fund and the claims against those resources. Also, like government-wide statements, the proprietary fund statements use a full accrual method of accounting for changes in the assets, liabilities, and deferred outflows/inflows of the fund. The City uses proprietary funds to account for two types of activities.

Enterprise funds account for functions, which are reported as *business-type* activities in the government-wide statements. The City of Plymouth uses enterprise funds to account for its water sewer utility, ice center, water resources, solid waste management and field house operations. *Internal Service funds* are businesses whose only customer is the government itself. These funds are an accounting device used to accumulate and allocate costs internally among the City of Plymouth's various functions. The City of Plymouth uses internal service funds to account for central equipment, public facilities, information technology, risk management, employee benefits and resource planning functions. Most of the costs allocated through internal service funds benefit the government activities rather than its business activities. Therefore, internal service activities are included among the City's governmental activities in the government-wide statements.

Proprietary fund statements are on pages 28-37 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 39 - 72 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Plymouth, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$437 million at the end of fiscal year 2015. A portion of the City of Plymouth's net position (69.3%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Plymouth uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Plymouth's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Plymouth, Minnesota						
Net Position						
<i>(amounts in thousands of dollars)</i>						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$ 130,498	\$ 122,358	\$ 35,103	\$ 37,554	\$ 165,601	\$ 159,912
Capital assets net of accumulated depreciation	207,180	200,753	114,116	113,866	321,296	314,619
Total assets	337,678	323,111	149,219	151,420	486,897	474,531
Deferred Inflows of Resources:						
Pension plan deferrals	3,734	-	-	-	3,734	-
Total assets and deferred outflows of resources	<u>\$ 341,412</u>	<u>\$ 323,111</u>	<u>\$ 149,219</u>	<u>\$ 151,420</u>	<u>\$ 490,631</u>	<u>\$ 474,531</u>
Liabilities:						
Current and other liabilities	\$ 8,678	\$ 9,496	\$ 1,881	\$ 1,478	\$ 10,559	\$ 10,974
Long-term liabilities	36,341	21,152	4,176	5,127	40,517	26,279
Total liabilities	45,019	30,648	6,057	6,605	51,076	37,253
Deferred Inflows of Resources:						
Pension plan deferrals	2,766	-	-	-	2,766	-
State aid received for subsequent years	-	2,230	-	-	-	2,230
Total deferred inflows of resources	<u>2,766</u>	<u>2,230</u>	<u>-</u>	<u>-</u>	<u>2,766</u>	<u>2,230</u>
Net Position:						
Net investment in capital assets	192,834	188,060	109,940	108,738	302,774	296,798
Restricted net position	24,401	13,365	24,095	27,846	48,496	41,211
Unrestricted net position	76,392	88,808	9,127	8,231	85,519	97,039
Total net position	293,627	290,233	143,162	144,815	436,789	435,048
Total liabilities, deferred inflows of resources, and net position	<u>\$ 341,412</u>	<u>\$ 323,111</u>	<u>\$ 149,219</u>	<u>\$ 151,420</u>	<u>\$ 490,631</u>	<u>\$ 474,531</u>

A portion of the City of Plymouth’s net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$85.5 million) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Plymouth is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

- **Governmental activities** – Governmental activities increased the City of Plymouth’s net position by approximately \$3.4 million or 1.2%. Several factors contributed to this increase include additional capital construction, elevated development activity throughout the city resulting in significant increase in permit revenue, increased market value of investment, and significant cost savings from personnel attrition and overall restraint on spending; along with the change in accounting principle as discussed previously which reduced the ending net position.
- **Business-type activities** – The net position of business-type activities decreased by \$1.7 million or 1.1%. The change in net position is the result of a positive increase from operations, offset by the change in accounting principle as previously discussed.

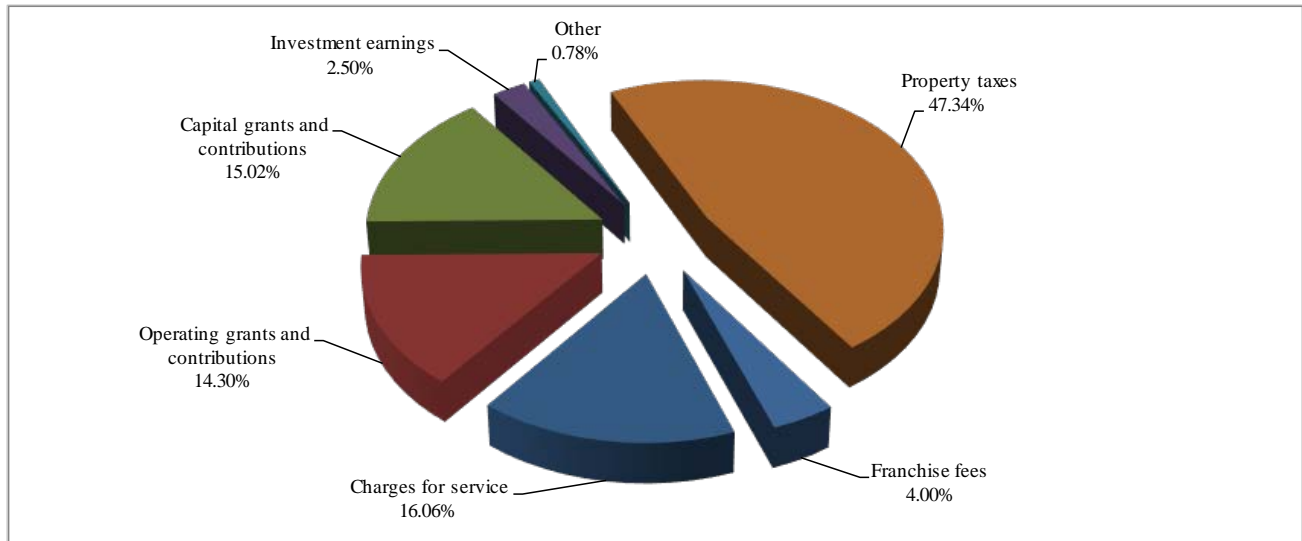
The following table indicates the changes in net position for the City’s governmental and business-type activities:

City of Plymouth, Minnesota						
Changes in Net Position						
<i>(amounts in thousands of dollars)</i>						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for service	\$ 10,552	\$ 10,371	\$ 20,645	\$ 19,443	\$ 31,197	\$ 29,814
Operating grants and contributions	9,393	9,405	378	327	9,771	9,732
Capital grants and contributions	9,871	15,343	1,987	3,970	11,858	19,313
General revenues:						
Property taxes	31,108	30,038	-	-	31,108	30,038
Franchise fees	2,631	-	-	-	2,631	-
Investment earnings	1,644	3,448	676	1,165	2,320	4,613
Gain on sale of capital assets	83	144	-	-	83	144
Other	432	326	-	-	432	326
Total revenues	<u>65,714</u>	<u>69,075</u>	<u>23,686</u>	<u>24,905</u>	<u>89,400</u>	<u>93,980</u>
Expenses:						
General government	5,836	4,743	-	-	5,836	4,743
Economic development	679	653	-	-	679	653
Parks and recreation	8,833	8,427	-	-	8,833	8,427
Public safety	16,815	16,111	-	-	16,815	16,111
Public service	4,410	4,131	-	-	4,410	4,131
Public works	13,610	12,700	-	-	13,610	12,700
Water sewer utility	-	-	17,384	15,664	17,384	15,664
Ice center	-	-	1,717	1,708	1,717	1,708
Water resources	-	-	2,751	1,996	2,751	1,996
Solid waste management	-	-	1,060	922	1,060	922
Field house	-	-	284	324	284	324
Interest on long-term debt	553	592	-	-	553	592
Total expenses	<u>50,736</u>	<u>47,357</u>	<u>23,196</u>	<u>20,614</u>	<u>73,932</u>	<u>67,971</u>
Change in Net Position Before Transfers	14,978	21,718	490	4,291	15,468	26,009
Transfers in (out)	(299)	1,920	299	(1,920)	-	-
Change in Net Position	<u>14,679</u>	<u>23,638</u>	<u>789</u>	<u>2,371</u>	<u>15,468</u>	<u>26,009</u>
Net Position at Beginning of Year	290,233	266,595	144,815	142,444	435,048	409,039
Change in accounting principle	(11,285)	-	(2,442)	-	(13,727)	-
Net Position at End of Year	<u>\$ 293,627</u>	<u>\$ 290,233</u>	<u>\$ 143,162</u>	<u>\$ 144,815</u>	<u>\$ 436,789</u>	<u>\$ 435,048</u>

Governmental Activities:

Revenues - A distinguishing financial characteristic of governmental activities is that the cost of government is paid, at least in part, by taxes. Revenues financing the City’s governmental activities costs were as follows:

Revenue Sources – Governmental Activities



Most of the City’s revenues are “home-grown”; the City of Plymouth does not rely heavily on State aids or grants. This helps insulate the City from changes imposed by the State Legislature. The City experienced decreased capital grants and contributions during the year due to reduced infrastructure construction funded municipal construction State aid. However, the City experienced an increase in general revenues due to the franchise fee program.

Business-type Activities

The City’s Business-type activities provide water sewer utility, ice center, water resources, solid waste management, and field house services to its residents. The City’s business-type activities are accounted for, financed, and operated in a manner similar to private business enterprises. It is generally intended that the cost of providing services to the public be financed or recovered primarily through user charges.

The City’s business-type activities are capital intensive. The City’s investment in capital assets (net of accumulated depreciation) of its business activities totaled approximately \$114.1 million in 2015; which is approximately 76.5% of total business-type assets.

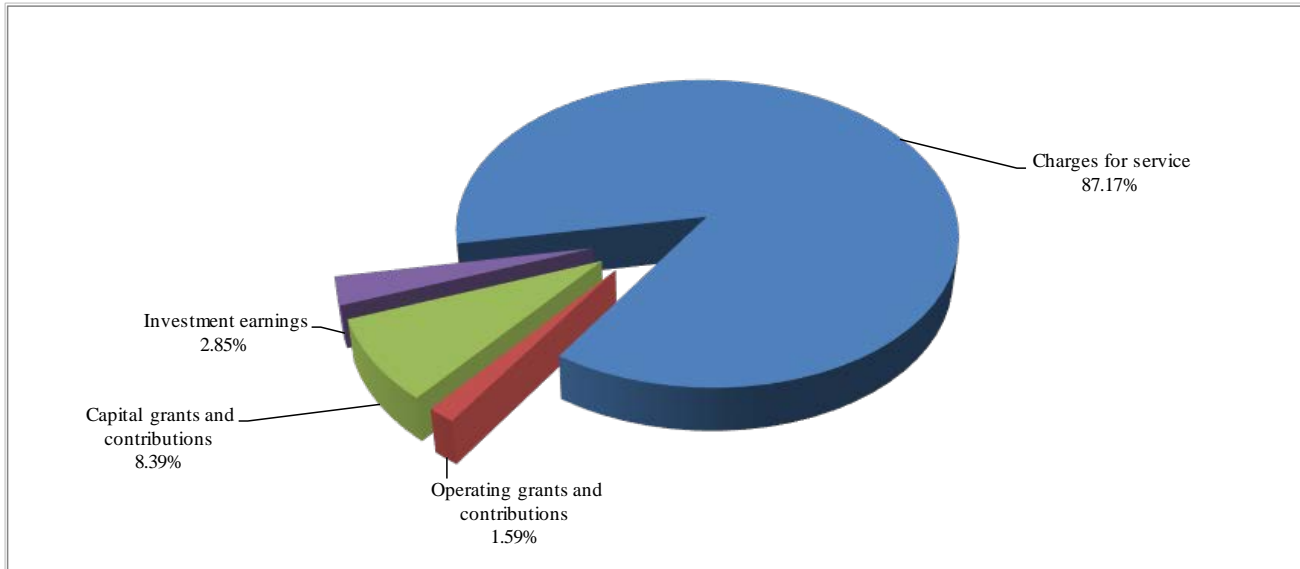
The principal challenge for the City’s business activities is financing the replacement, maintenance, and expansion of their capital assets (asset maintenance). The City of Plymouth combines operating and non-operating sources (primarily area-wide assessments) to finance its investment in business-type assets.

Operating income starts with revenues generated by charges for sales and service. As of December 31, 2015, there were 22,810 water and/or sewer customers. The water and sewer utility represented approximately 74.2% of total business-type charges for service revenue in 2015. Operating income alone is not sufficient to provide for the replacement, maintenance and expansion of the City’s business-type capital assets. Depreciation allocates the cost of capital assets over their estimated useful lives; it approximates the amount of capital assets “used-up” during the year. The City’s business-type activities generate positive operating income before depreciation, although it is not enough to fully offset or fund depreciation on capital assets.

In 2015, the City reported positive operating income, excluding depreciation, of approximately \$2.6 million. After depreciation, the City reported an operating loss of approximately \$2.7 million. After considering remaining increases and decreases to net position, business-type activities reported an increase of \$789 thousand before reporting the effect of the change in accounting principle. The City reported a change in accounting principle relating to pensions that reduced business-type activities net position at the beginning of the year by \$2.4 million.

The following chart illustrates the City’s revenue sources for its business-type activities:

Revenue Sources – Business-type Activities



Financial Analysis of the City of Plymouth’s Funds

As noted earlier, the City of Plymouth uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City of Plymouth’s *governmental funds* is to provide information on *near-term* inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Plymouth’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the amount of available, spendable resources potentially available for appropriation by the City Council to finance the City’s day-to-day activities.

General Fund-

- The fund balance of the General Fund is the City’s principal liquidity reserve.
- The City Council has adopted a long-range financial plan to provide adequate operating cash for future years. The goal is to maintain a total fund balance of approximately 40% of the General Fund expenditure and transfers out budget for the following year. The City met this goal in 2015; the fund balance at year-end was \$14.6 million, or 40% of 2016 budgeted expenditures and transfers out.

Transit System Fund-

- In the Transit System Fund, the fund balance increased by \$1.3 million. This increase is primarily due to an increase in the City’s proportionate share of motor vehicle tax.

General Capital Projects Fund-

- The fund balance increased in the General Capital Projects Fund by \$2.4 million during the year. This increase is due to approved funding transfers of various capital projects throughout the current year for construction of the City’s buildings and park improvements.

Improvement Projects Fund-

- The fund balance decreased in the Improvement Projects Fund by \$1.6 million during the year. This decrease is due to the timing and review of capital project completed throughout the current year for construction of streets and other infrastructure improvements.

Infrastructure Replacement Fund-

- The fund balance decreased in the Infrastructure Fund by \$1.5 million during the year. This decrease is due to approved funding transfers for various capital projects throughout the current year for construction of street and other infrastructure improvements exceeding revenues, including property taxes.

Of the total governmental funds fund balance of \$82.6 million, \$123 thousand is nonspendable, \$19.1 million is restricted for specific uses based on external regulations, \$49.1 million is assigned internally for specific uses and \$14.3 is unassigned.

Proprietary Funds – The City of Plymouth’s *proprietary funds* provide the same type of information found in the government-wide financial statements, but in more detail.

Water Sewer Utility Fund-

- Unrestricted net position at the end of the year was \$8.9 million. The total increase in net position was \$171 thousand.

Ice Center Fund-

- Unrestricted net position at the end of the year was a deficit \$628 thousand. The total increase in net position was \$106 thousand.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Plymouth’s business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final General Fund budget represents the originally adopted budget, since no amendments were approved during the course of the year by the City Council.

The 2015 General Fund budget anticipated an expenditure increase over 2014 budget of 4.8%. This increase included planned wage and benefit adjustments and inflationary adjustments.

General Fund revenues and other financing sources exceeded budget estimates by \$3.5 million during the year. Contributing factors for this increase included additional license and permit revenue due to elevated development activity, increased state grants and aids, and additional project administration fees due to increased number of projects completed this year.

General Fund expenditures were under budget estimates by \$472 thousand due to decreases in personal costs due to attrition and cost restraints shared by all departments. Other financing uses exceeded budget by \$2.8 million. The primary reason for this overage was that the net positive year-end position allowed the General Fund to make unplanned transfers of \$2.7 million to the General Capital Projects fund for future improvement projects.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The City's total investment in long-term (capital) assets, net of accumulated depreciation totaled \$321.3 million at year-end.

Components of the City's capital assets by type and activity are described in the table below:

City of Plymouth, Minnesota
Summary of Capital Assets
(amounts in thousands of dollars)

	Governmental Capital Assets		Business-type Capital Assets		Total Capital Assets	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 42,053	\$ 41,207	\$ 3,280	\$ 3,199	\$ 45,333	\$ 44,406
Construction in progress	25,651	20,358	850	482	26,501	20,840
Buildings	23,799	24,769	30,805	31,300	54,604	56,069
Improvements other than buildings	12,685	11,510	3,728	3,352	16,413	14,862
Machinery and equipment	14,834	13,524	3,497	4,334	18,331	17,858
Infrastructure	88,158	89,385	71,956	71,199	160,114	160,584
Total capital assets	<u>\$ 207,180</u>	<u>\$ 200,753</u>	<u>\$ 114,116</u>	<u>\$ 113,866</u>	<u>\$ 321,296</u>	<u>\$ 314,619</u>

See footnote 4, pages 52-54, to the financial statements for additional information about the City's capital assets.

Long-Term Bonded Debt

The City's long-term bonded debt totaled \$17.8 million at year-end, compared to \$21.8 million at the beginning of the year. During the year, the City made regular debt service payments of \$1.8 million on governmental activity bonds and \$920 thousand on business-type activity bonds. A governmental activity bond of \$4.6 million was refunded during the year. The City issues \$3.3 million of governmental activity bonds during the year.

The City's debt holds the highest rating from Moody's Investors Services: Aaa, as well as from Standard and Poor's Ratings Services: AAA. The dual rating placed City of Plymouth among only six other cities in the state to receive this distinction.

See footnote 5, pages 55-57, to the financial statements for a schedule showing the City's long-term debt activity.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2016 budget was conservatively developed to account for economic and legislative activity. It provides for a balanced budget and a sound financial plan for 2016 that maintains core service levels and is sensitive to the financial concerns of Plymouth taxpayers. The tax levy increased 2.99% from 2015.

As a result of the City's responsible stewardship, the quality services our residents have come to expect continue to be provided at a reasonable price.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

Questions concerning the information provided in this report or requests for additional financial information should be addressed to the City of Plymouth, Administrative Services Department, 3400 Plymouth Boulevard, Plymouth, MN 55447-1482, 763-509-5300 or the City's web site at www.plymouthmn.gov.

This page intentionally left blank



GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are intended to provide a financial overview of municipal operations.

**CITY OF PLYMOUTH, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing and Redevelopment Authority
<u>ASSETS</u>				
Cash and investments	\$ 116,205,719	\$ 29,418,194	\$ 145,623,913	\$ 6,083,640
Accounts receivable	652,731	3,148,035	3,800,766	4,876
Notes receivable	2,204,294	-	2,204,294	1,125,759
Taxes receivable	270,090	-	270,090	4,950
Special assessments receivable	47,218	5,880,823	5,928,041	-
Accrued interest receivable	515,581	100,152	615,733	113,920
Due from other governments	2,589,272	153,981	2,743,253	26,135
Internal balances	4,095,750	(4,095,750)	-	-
Inventory	140,583	50,019	190,602	-
Prepaid items	634,093	447,744	1,081,837	265,575
Net pension asset - fire relief	3,142,713	-	3,142,713	-
Capital assets - nondepreciable	67,703,825	4,130,352	71,834,177	1,333,840
Capital assets - depreciable (net):	139,475,552	109,985,986	249,461,538	9,371,529
Total capital assets	<u>207,179,377</u>	<u>114,116,338</u>	<u>321,295,715</u>	<u>10,705,369</u>
Total assets	<u>337,677,421</u>	<u>149,219,536</u>	<u>486,896,957</u>	<u>18,330,224</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension plan deferments - PERA	3,350,550	-	3,350,550	-
Pension plan deferments - fire relief	383,738	-	383,738	-
Total deferred outflows of resources	<u>3,734,288</u>	<u>-</u>	<u>3,734,288</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 341,411,709</u>	<u>\$ 149,219,536</u>	<u>\$ 490,631,245</u>	<u>\$ 18,330,224</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 2,023,915	\$ 488,709	\$ 2,512,624	\$ 652,994
Contracts payable	1,043,534	580,847	1,624,381	-
Accrued salaries and benefits payable	877,768	116,589	994,357	17,625
Deposits payable	3,156,862	-	3,156,862	143,707
Due to other governments	450,002	484,526	934,528	90,967
Unearned revenue	936,963	162,136	1,099,099	-
Accrued interest payable	188,403	48,688	237,091	127,405
Noncurrent liabilities:				
Due within one year	2,378,143	935,000	3,313,143	674,886
Due in more than one year	33,963,182	3,241,071	37,204,253	11,876,372
Total liabilities	<u>45,018,772</u>	<u>6,057,566</u>	<u>51,076,338</u>	<u>13,583,956</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension plan deferments - PERA	2,765,716	-	2,765,716	-
<u>NET POSITION</u>				
Net investment in capital assets	192,833,630	109,940,267	302,773,897	(1,841,003)
Restricted for:				
Transit	6,396,321	-	6,396,321	-
Lawful Gambling	13,593	-	13,593	-
Debt Service	2,032,864	-	2,032,864	351,528
Housing Projects	1,107,190	-	1,107,190	4,164,421
Highway/Street Improvements	1,029,538	-	1,029,538	-
Park Construction	6,699,952	-	6,699,952	-
Tax Increment	3,405,955	-	3,405,955	-
Cemetery perpetual care:				
Non-expendable	45,860	-	45,860	-
Expendable	143,604	-	143,604	-
Utility trunk	-	21,265,064	21,265,064	-
Water resources	-	2,829,608	2,829,608	-
Fire relief pensions	3,526,451	-	3,526,451	-
Unrestricted	76,392,263	9,127,031	85,519,294	2,071,322
Total net position	<u>293,627,221</u>	<u>143,161,970</u>	<u>436,789,191</u>	<u>4,746,268</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 341,411,709</u>	<u>\$ 149,219,536</u>	<u>\$ 490,631,245</u>	<u>\$ 18,330,224</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 5,836,133	\$ 487,179	\$ 590,776	\$ 62,015
Economic development	679,334	-	-	-
Parks and recreation	8,832,927	1,520,134	17	4,059,459
Public safety	16,814,934	5,641,452	2,369,961	8,748
Public service	4,410,480	993,692	4,434,502	-
Public works	13,609,716	1,910,172	1,998,052	5,740,814
Interest on long-term debt	553,241	-	-	-
Total governmental activities	<u>50,736,765</u>	<u>10,552,629</u>	<u>9,393,308</u>	<u>9,871,036</u>
Business-type activities:				
Water sewer utility	17,383,468	15,315,245	21,536	1,375,915
Ice center	1,717,406	1,602,601	93,949	88,000
Water resources	2,750,479	2,815,751	35,717	522,700
Solid waste management	1,060,004	519,206	226,782	-
Field house	284,452	392,307	-	-
Total business-type activities	<u>23,195,809</u>	<u>20,645,110</u>	<u>377,984</u>	<u>1,986,615</u>
Total primary government	<u>\$ 73,932,574</u>	<u>\$ 31,197,739</u>	<u>\$ 9,771,292</u>	<u>\$ 11,857,651</u>
COMPONENT UNIT:				
Housing and Redevelopment Authority	<u>\$ 5,852,781</u>	<u>\$ 1,896,388</u>	<u>\$ 3,735,824</u>	<u>\$ 80,000</u>

General revenues:
Property taxes
Franchise fees
Investment earnings
Gain on sale of capital assets
Other
Transfers
Total general revenues and transfers

CHANGE IN NET POSITION

NET POSITION - BEGINNING

CHANGE IN ACCOUNTING PRINCIPLE

NET POSITION - ENDING

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing and Redevelopment Authority
\$ (4,696,163)	\$ -	\$ (4,696,163)	\$ -
(679,334)	-	(679,334)	-
(3,253,317)	-	(3,253,317)	-
(8,794,773)	-	(8,794,773)	-
1,017,714	-	1,017,714	-
(3,960,678)	-	(3,960,678)	-
(553,241)	-	(553,241)	-
<u>(20,919,792)</u>	<u>-</u>	<u>(20,919,792)</u>	<u>-</u>
-	(670,772)	(670,772)	-
-	67,144	67,144	-
-	623,689	623,689	-
-	(314,016)	(314,016)	-
-	107,855	107,855	-
-	(186,100)	(186,100)	-
<u>(20,919,792)</u>	<u>(186,100)</u>	<u>(21,105,892)</u>	<u>-</u>
			<u>(140,569)</u>
31,107,774	-	31,107,774	538,336
2,630,711	-	2,630,711	-
1,643,809	676,601	2,320,410	61,755
82,711	-	82,711	-
432,060	-	432,060	31,070
(298,659)	298,659	-	-
<u>35,598,406</u>	<u>975,260</u>	<u>36,573,666</u>	<u>631,161</u>
14,678,614	789,160	15,467,774	490,592
290,232,864	144,815,227	435,048,091	4,255,676
<u>(11,284,257)</u>	<u>(2,442,417)</u>	<u>(13,726,674)</u>	<u>-</u>
<u>\$ 293,627,221</u>	<u>\$ 143,161,970</u>	<u>\$ 436,789,191</u>	<u>\$ 4,746,268</u>

This page intentionally left blank



GOVERNMENTAL FUNDS

GENERAL FUND - The General Fund accounts for resources devoted to financing the general services. These include general government, economic development, parks and recreation, public safety, public service, and public works. Revenues are recorded by source, i.e., taxes, license and permit, intergovernmental, service charges, fines and forfeitures, etc. General Fund expenditures are primarily for day-to-day operating costs and equipment. This fund accounts for all financial transactions not properly accounted for in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for taxes and other revenues set aside for a particular purpose.

Transit System Fund - Revenues from Minnesota Vehicle Excise Tax and fares, and expenditures for the Plymouth Metrolink system are accounted for in this fund.

CAPITAL PROJECT FUNDS

Capital projects funds are used to account for the construction and financing of large capital projects.

General Capital Projects Fund - This fund is used to account for construction costs related to the City's buildings and park improvements.

Improvement Projects Fund - This fund is used to account for expenditures incurred in the construction of certain public improvements such as residential streets, sidewalks, and storm sewers.

Infrastructure Replacement Fund - This fund is used to account for accumulation of resources for major infrastructure repair and replacement. The major source of revenue is property taxes.

This page intentionally left blank

CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)

	General	Special	Capital		
		Revenue	General	Project	
		Transit	Capital	Improvement	Infrastructure
		System	Projects	Projects	Replacement
ASSETS					
Cash and investments	\$ 18,104,236	\$ 6,122,381	\$ 10,710,731	\$ 8,009,080	\$ 14,863,263
Restricted cash and investments	-	-	-	-	-
Accounts receivable	87,855	-	-	4,487	538,007
Notes receivable	-	-	-	-	-
Taxes receivable	218,979	-	-	-	27,763
Special assessments receivable	10,263	-	-	391	-
Accrued interest receivable	71,118	20,840	27,145	27,315	49,704
Due from other funds	-	-	-	-	-
Due from other governments	296,977	564,743	3,703	1,665,410	-
Inventory	60	-	-	-	-
Prepaid items	68,454	3,709	-	-	-
Advances to other funds	4,159	-	790,202	-	-
TOTAL ASSETS	\$ 18,862,101	\$ 6,711,673	\$ 11,531,781	\$ 9,706,683	\$ 15,478,737
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 605,166	\$ 315,352	\$ 25,787	\$ 239,365	\$ -
Contracts payable	-	-	78,330	965,204	-
Accrued salaries and benefits payable	736,525	-	-	-	-
Deposits payable	1,968,150	-	1,186,712	-	-
Due to other funds	-	-	-	-	-
Due to other governments	76,851	-	-	347,427	-
Advances from other funds	-	-	-	-	-
Accrued interest on advances	-	-	-	-	-
Unearned revenue	681,404	-	-	-	-
Total liabilities	4,068,096	315,352	1,290,829	1,551,996	-
Deferred inflows of resources:					
Unavailable revenue	195,821	-	-	391	21,499
State aid received for subsequent years	-	-	-	-	-
Total deferred inflows of resources	195,821	-	-	391	21,499
Fund balances:					
Nonspendable	68,514	3,709	-	-	-
Restricted	-	6,392,612	-	-	-
Assigned	180,144	-	10,240,952	8,154,296	15,457,238
Unassigned	14,349,526	-	-	-	-
Total fund balances	14,598,184	6,396,321	10,240,952	8,154,296	15,457,238
TOTAL LIABILITIES, DEFERRED INFLOWS					
OF RESOURCES, AND FUND BALANCES	\$ 18,862,101	\$ 6,711,673	\$ 11,531,781	\$ 9,706,683	\$ 15,478,737

The notes to the financial statements are an integral part of this statement.

Nonmajor Governmental Funds	Totals	
	2015	2014
\$ 27,323,034	\$ 85,132,725	\$ 81,456,409
-	-	4,677,313
20,422	650,771	132,987
2,204,294	2,204,294	2,275,494
23,348	270,090	317,498
36,564	47,218	47,840
213,925	410,047	394,806
-	-	3,651
51,628	2,582,461	810,566
2,356	2,416	-
2,077	74,240	488,469
2,803,172	3,597,533	1,948,299
<u>\$ 32,680,820</u>	<u>\$ 94,971,795</u>	<u>\$ 92,553,332</u>
\$ 307,585	\$ 1,493,255	\$ 1,593,942
-	1,043,534	1,081,993
28,184	764,709	591,397
2,000	3,156,862	3,883,823
-	-	3,651
25,570	449,848	327,120
1,897,186	1,897,186	1,304,497
109	109	-
252,664	934,068	636,071
<u>2,513,298</u>	<u>9,739,571</u>	<u>9,422,494</u>
2,382,831	2,600,542	2,845,920
-	-	2,230,078
<u>2,382,831</u>	<u>2,600,542</u>	<u>5,075,998</u>
50,293	122,516	534,329
12,671,942	19,064,554	16,233,238
15,062,456	49,095,086	49,589,834
-	14,349,526	11,697,439
<u>27,784,691</u>	<u>82,631,682</u>	<u>78,054,840</u>
<u>\$ 32,680,820</u>	<u>\$ 94,971,795</u>	<u>\$ 92,553,332</u>

This page intentionally left blank

**CITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2015**

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 82,631,682

Amounts reported for governmental activities in the statement of net position are different because:

- | | | |
|---|----------------------|------------------|
| 1. Capital assets used in governmental activities are not financial resources, therefore are not reported in the fund statements. | | |
| Capital assets | 412,760,922 | |
| Accumulated depreciation | <u>(215,779,522)</u> | 196,981,400 |
| 2. Long-term liabilities are not due and payable in the current period, therefore are not reported in the fund statements. | | |
| Bonds payable | (13,910,000) | |
| Premium / discount on bonds | (435,747) | |
| Accrued interest payable | <u>(188,294)</u> | (14,534,041) |
| 3. Unavailable revenue in governmental funds is susceptible to full accrual on government-wide statements. | | 2,600,542 |
| 4. Internal service funds are used to charge the costs of fleet and building management, management information systems, employee benefits, and other items to individual funds. The assets and liabilities (including capital assets) of the internal services funds are included in governmental activities in the statement of net position. | | 20,025,784 |
| 5. Internal balances which are the result of the allocation of internal service fund operations to the business-type activities are eliminated on the statement of net position. | | 2,395,403 |
| 6. The fire relief net pension asset and related pension plan deferrals are not considered current financial resources, therefore are not reported in the fund statements. | | <u>3,526,451</u> |

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 293,627,221

The notes to the financial statements are an integral part of this statement.

CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)

	General	Special Revenue	Capital Project		
		Transit System	General Capital Projects	Improvement Projects	Infrastructure Replacement
REVENUES:					
Property taxes	\$ 24,414,150	\$ -	\$ -	\$ -	\$ 2,911,660
Special assessments	13,539	-	-	-	-
Licenses and permits	5,797,610	-	-	-	156,086
Intergovernmental	2,880,999	4,058,593	100,000	1,669,112	87
Charges for services	2,385,480	993,577	-	44,183	-
Franchise fees	-	-	-	-	2,630,711
Fines and forfeitures	635,906	-	-	-	-
Contributions	17,675	-	-	175,269	-
Investment earnings	222,252	77,874	113,737	130,788	289,786
Loan repayments	-	-	-	-	-
Other revenues	236,937	11	98,458	53,739	-
Total revenues	<u>36,604,548</u>	<u>5,130,055</u>	<u>312,195</u>	<u>2,073,091</u>	<u>5,988,330</u>
EXPENDITURES:					
Current:					
General government	5,547,072	-	49,041	-	-
Economic development	-	-	-	-	-
Parks and recreation	5,567,522	-	314,184	-	-
Public safety	16,720,145	-	-	-	-
Public service	-	3,787,795	-	-	-
Public works	4,932,369	-	5,130	1,279,935	5,380
Interest on interfund advances	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Capital outlay	83,716	19,500	3,199,889	12,447,067	-
Total expenditures	<u>32,850,824</u>	<u>3,807,295</u>	<u>3,568,244</u>	<u>13,727,002</u>	<u>5,380</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,753,724</u>	<u>1,322,760</u>	<u>(3,256,049)</u>	<u>(11,653,911)</u>	<u>5,982,950</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	428,207	-	6,899,476	11,627,496	2,615
Transfers out	(2,987,043)	-	(1,268,130)	(1,529,844)	(7,510,194)
General obligation bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment of refunded bonds	-	-	-	-	-
Total other financing sources (uses)	<u>(2,558,836)</u>	<u>-</u>	<u>5,631,346</u>	<u>10,097,652</u>	<u>(7,507,579)</u>
NET CHANGE IN FUND BALANCES	1,194,888	1,322,760	2,375,297	(1,556,259)	(1,524,629)
FUND BALANCES AT BEGINNING OF YEAR	<u>13,403,296</u>	<u>5,073,561</u>	<u>7,865,655</u>	<u>9,710,555</u>	<u>16,981,867</u>
FUND BALANCES AT END OF YEAR	<u>\$ 14,598,184</u>	<u>\$ 6,396,321</u>	<u>\$ 10,240,952</u>	<u>\$ 8,154,296</u>	<u>\$ 15,457,238</u>

The notes to the financial statements are an integral part of this statement.

Nonmajor Governmental Funds	Totals	
	2015	2014
\$ 3,858,139	\$ 31,183,949	\$ 30,017,333
22,557	36,096	75,650
-	5,953,696	5,078,336
2,860,083	11,568,874	13,181,040
1,257,117	4,680,357	4,839,499
-	2,630,711	839,312
-	635,906	605,751
3,389,385	3,582,329	1,301,305
390,324	1,224,761	2,525,090
7,836	7,836	7,605
10	389,155	291,093
<u>11,785,451</u>	<u>61,893,670</u>	<u>58,762,014</u>
1,801	5,597,914	4,491,759
690,321	690,321	672,627
1,741,794	7,623,500	7,314,547
-	16,720,145	15,912,601
495,799	4,283,594	4,020,549
551	6,223,365	5,352,829
55,835	55,835	45,009
1,810,000	1,810,000	1,345,000
601,488	601,488	646,318
62,939	62,939	-
23,074	15,773,246	23,691,316
<u>5,483,602</u>	<u>59,442,347</u>	<u>63,492,555</u>
<u>6,301,849</u>	<u>2,451,323</u>	<u>(4,730,541)</u>
5,244,326	24,202,120	30,789,948
(7,622,797)	(20,918,008)	(25,032,735)
3,295,000	3,295,000	-
121,407	121,407	-
<u>(4,575,000)</u>	<u>(4,575,000)</u>	<u>-</u>
<u>(3,537,064)</u>	<u>2,125,519</u>	<u>5,757,213</u>
2,764,785	4,576,842	1,026,672
25,019,906	78,054,840	77,028,168
<u>\$ 27,784,691</u>	<u>\$ 82,631,682</u>	<u>\$ 78,054,840</u>

CITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

NET INCREASE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 4,576,842

Amounts reported for governmental activities in the statement of activities are different because:

1. Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 15,963,006	
Assets contributed to internal service funds	(492,778)	
Assets of governmental activities reassigned to proprietary funds	(1,742,427)	
Depreciation expense	<u>(10,158,945)</u>	3,568,856

2. The net effect of various transactions involving capital assets (i.e. sales and dispositions) is to decrease net position. (99,751)

3. Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. (287,478)

4. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal repayments	6,385,000	
New debt issued	<u>(3,295,000)</u>	3,090,000

5. Debt issuance premiums and discounts are reported in the governmental funds as an other financing source or use at the time of issuance. However, they are reported as an unamortized asset or liability in the governmental fund statements (121,407)

6. Interest expense in the government-wide statement of activities differs from the amount reported in governmental funds because additional accrued interest was calculated for bonds payable, and additional expense was recognized on the amortization of bond discounts and premiums which are expended in the governmental fund statements.

Accrued interest payable	67,349	
Amortization of bond premiums and discounts	<u>43,837</u>	111,186

7. Capital assets contributed to the City by developers are not current financial resources, therefore are not reported in the governmental funds statements. 1,691,306

8. Governmental funds report outlays of housing loans as expenditures while in the government-wide statement the disbursement increases notes receivable in the statement of net position and does not affect the statement of activities. 42,100

9. Internal service funds are used to charge the cost certain activities, such as of insurance, fleet and building management, management information systems, employee benefits, and other items to individual funds. This amount represents the change in net position of the internal service funds, which are reported with governmental activities. 1,794,763

10. The net effect of transactions involving the fire relief pension plan increased net position, but are not reported in the governmental funds. 312,197

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 14,678,614

The notes to the financial statements are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)**

	2015		Variance with Final Budget	2014
	Original and Final Budget	Actual		Actual
REVENUES:				
Property Taxes	\$ 24,347,000	\$ 24,414,150	\$ 67,150	\$ 23,649,213
Special assessments	3,500	13,539	10,039	10,835
Licenses and permits	3,378,129	5,797,610	2,419,481	4,924,273
Intergovernmental	2,181,634	2,880,999	699,365	2,370,473
Charges for services	2,007,888	2,385,480	377,592	2,585,479
Fines and forfeitures	766,500	635,906	(130,594)	605,751
Contributions	1,500	17,675	16,175	10,575
Investment earnings	98,000	222,252	124,252	533,490
Other revenues	106,800	236,937	130,137	215,541
Total revenues	<u>32,890,951</u>	<u>36,604,548</u>	<u>3,713,597</u>	<u>34,905,630</u>
EXPENDITURES:				
Current:				
General government	4,915,554	5,547,072	(631,518)	4,454,026
Parks and recreation	5,637,676	5,567,522	70,154	5,246,423
Public safety	16,673,452	16,720,145	(46,693)	15,905,651
Public works	5,984,420	4,932,369	1,052,051	5,298,075
Capital outlay	111,639	83,716	27,923	348,559
Total expenditures	<u>33,322,741</u>	<u>32,850,824</u>	<u>471,917</u>	<u>31,252,734</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(431,790)</u>	<u>3,753,724</u>	<u>4,185,514</u>	<u>3,652,896</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	617,290	428,207	(189,083)	523,989
Transfers out	(185,500)	(2,987,043)	(2,801,543)	(3,562,097)
Total other financing sources (uses)	<u>431,790</u>	<u>(2,558,836)</u>	<u>(2,990,626)</u>	<u>(3,038,108)</u>
NET CHANGE IN FUND BALANCE	-	1,194,888	1,194,888	614,788
FUND BALANCE AT BEGINNING OF YEAR	<u>13,403,296</u>	<u>13,403,296</u>	-	<u>12,788,508</u>
FUND BALANCE AT END OF YEAR	<u>\$ 13,403,296</u>	<u>\$ 14,598,184</u>	<u>\$ 1,194,888</u>	<u>\$ 13,403,296</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PLYMOUTH, MINNESOTA
TRANSIT SYSTEM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)

	2015			2014
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Intergovernmental	\$ 3,340,000	\$ 4,058,593	\$ 718,593	\$ 3,860,037
Charges for services	1,100,000	993,577	(106,423)	1,006,581
Investment earnings	35,000	77,874	42,874	123,561
Other revenues	-	11	11	-
Total revenues	<u>4,475,000</u>	<u>5,130,055</u>	<u>655,055</u>	<u>4,990,179</u>
EXPENDITURES:				
Current:				
Public service:				
Personal services	160,631	-	160,631	114,916
Materials and supplies	2,600	44,716	(42,116)	1,594
Contractual services	4,055,815	3,743,079	312,736	3,637,484
Capital outlay	-	19,500	(19,500)	96,266
Total expenditures	<u>4,219,046</u>	<u>3,807,295</u>	<u>411,751</u>	<u>3,850,260</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>255,954</u>	<u>1,322,760</u>	<u>1,066,806</u>	<u>1,139,919</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(255,954)</u>	<u>-</u>	<u>255,954</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	1,322,760	1,322,760	1,139,919
FUND BALANCE AT BEGINNING OF YEAR	<u>5,073,561</u>	<u>5,073,561</u>	<u>-</u>	<u>3,933,642</u>
FUND BALANCE AT END OF YEAR	<u>\$ 5,073,561</u>	<u>\$ 6,396,321</u>	<u>\$ 1,322,760</u>	<u>\$ 5,073,561</u>

The notes to the financial statements are an integral part of this statement.



PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs are to be recovered primarily through user charges.

Water Sewer Utility Fund - The Water Sewer Utility Fund provides municipal water and sanitary sewer service to the community. The Fund finances the operations, maintenance and construction of the water and sanitary sewer systems.

Ice Center Fund - The Ice Center Fund provides ice arena facility services to the community through hockey, figure skating and public skating programs.

This page intentionally left blank

CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Sewer Utility</u>	<u>Ice Center</u>	<u>Nonmajor Funds</u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Current assets:			
Cash and investments	\$ 21,570,216	\$ 1,026,051	\$ 6,821,927
Accounts receivable	2,975,807	116,530	55,698
Special assessments receivable	1,514,880	-	-
Accrued interest receivable	73,441	3,487	23,224
Due from other governments	126,377	25,455	2,149
Inventory	44,215	5,804	-
Prepaid items	442,048	1,557	4,139
Total current assets	<u>26,746,984</u>	<u>1,178,884</u>	<u>6,907,137</u>
Noncurrent assets:			
Special assessments receivable	4,365,943	-	-
Capital assets:			
Land	2,074,063	1,158,324	47,551
Buildings	40,580,263	13,484,061	1,306,187
Improvements other than buildings	1,524,896	1,355,709	2,955,809
Machinery and equipment	13,543,645	1,122,304	403,664
Infrastructure	99,413,975	-	9,922,196
Construction in progress	187,483	-	662,931
Total capital assets	<u>157,324,325</u>	<u>17,120,398</u>	<u>15,298,338</u>
Less accumulated depreciation	<u>(65,973,625)</u>	<u>(7,073,452)</u>	<u>(2,579,646)</u>
Net capital assets	<u>91,350,700</u>	<u>10,046,946</u>	<u>12,718,692</u>
Total noncurrent assets	<u>95,716,643</u>	<u>10,046,946</u>	<u>12,718,692</u>
Total assets	<u>122,463,627</u>	<u>11,225,830</u>	<u>19,625,829</u>
Deferred outflows of resources:			
Pension plan deferments - PERA	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 122,463,627</u>	<u>\$ 11,225,830</u>	<u>\$ 19,625,829</u>

(Continued...)

				Governmental Activities - Internal Service Funds	
Totals		Totals			
2015	2014	2015	2014		
\$ 29,418,194	\$ 27,728,690	\$ 31,072,994	\$ 30,431,054		
3,148,035	3,044,649	1,960	2,536		
1,514,880	1,469,453	-	-		
100,152	95,906	105,534	105,315		
153,981	158,669	6,811	18,064		
50,019	63,672	138,167	145,716		
447,744	448,592	559,853	343,951		
<u>34,833,005</u>	<u>33,009,631</u>	<u>31,885,319</u>	<u>31,046,636</u>		
4,365,943	5,254,641	-	-		
3,279,938	3,199,264	33,520	33,520		
55,370,511	54,250,212	636,652	636,652		
5,836,414	5,237,827	910,475	697,585		
15,069,613	14,915,740	20,578,799	18,538,354		
109,336,171	106,289,230	-	-		
850,414	482,105	396,984	670,545		
<u>189,743,061</u>	<u>184,374,378</u>	<u>22,556,430</u>	<u>20,576,656</u>		
<u>(75,626,723)</u>	<u>(70,508,826)</u>	<u>(12,358,453)</u>	<u>(11,644,509)</u>		
<u>114,116,338</u>	<u>113,865,552</u>	<u>10,197,977</u>	<u>8,932,147</u>		
<u>118,482,281</u>	<u>119,120,193</u>	<u>10,197,977</u>	<u>8,932,147</u>		
<u>153,315,286</u>	<u>152,129,824</u>	<u>42,083,296</u>	<u>39,978,783</u>		
-	-	3,350,550	-		
<u>\$ 153,315,286</u>	<u>\$ 152,129,824</u>	<u>\$ 45,433,846</u>	<u>\$ 39,978,783</u>		

**CITY OF PLYMOUTH, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 DECEMBER 31, 2015
 (with comparative totals for December 31, 2014)**

(Continued from previous page)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
Current liabilities:			
Accounts payable	\$ 305,534	\$ 22,704	\$ 160,471
Contracts payable	164,548	-	416,299
Accrued salaries and benefits payable	62,925	20,020	33,644
Compensated absences payable	-	-	-
Due to other governments	477,193	6,384	949
Unearned revenue	34,204	56,942	70,990
Accrued interest payable	48,688	-	-
Advances from other funds	-	266,632	-
Revenue bonds payable	935,000	-	-
Total current liabilities	<u>2,028,092</u>	<u>372,682</u>	<u>682,353</u>
Noncurrent liabilities:			
OPEB (net)	-	-	-
Net pension liability	-	-	-
Compensated absences payable	-	-	-
Advances from other funds	-	1,433,715	-
Revenue bonds payable (net of unamortized premiums/discounts)	3,241,071	-	-
Total noncurrent liabilities	<u>3,241,071</u>	<u>1,433,715</u>	<u>-</u>
Total liabilities	<u>5,269,163</u>	<u>1,806,397</u>	<u>682,353</u>
Deferred inflows of resources:			
Pension plan deferments - PERA	-	-	-
<u>NET POSITION</u>			
Net investment in capital assets	87,174,629	10,046,946	12,718,692
Restricted for:			
Utility trunk	21,158,536	-	-
Water resources	-	-	2,792,928
Unrestricted	8,861,299	(627,513)	3,431,856
Total net position	<u>117,194,464</u>	<u>9,419,433</u>	<u>18,943,476</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 122,463,627</u>	<u>\$ 11,225,830</u>	<u>\$ 19,625,829</u>

Total net position - Enterprise funds
 Change in accounting principle
 Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
 Net position of business-type activities

The notes to the financial statements are an integral part of this statement.

				Governmental Activities - Internal Service Funds			
Totals				Totals			
2015	2014	2015	2014	2015	2014	2015	2014
\$ 488,709	\$ 535,941	\$ 530,660	\$ 1,053,948				
580,847	83,826	-	-				
116,589	127,277	113,059	71,053				
-	-	1,383,143	1,768,538				
484,526	457,544	154	1,278				
162,136	216,640	2,895	-				
48,688	56,354	-	-				
266,632	124,955	-	-				
935,000	920,000	-	-				
<u>3,083,127</u>	<u>2,522,537</u>	<u>2,029,911</u>	<u>2,894,817</u>				
-	-	1,510,646	1,288,699				
-	-	17,915,436	-				
-	-	1,186,353	736,530				
1,433,715	518,847	-	-				
<u>3,241,071</u>	<u>4,207,015</u>	<u>-</u>	<u>-</u>				
<u>4,674,786</u>	<u>4,725,862</u>	<u>20,612,435</u>	<u>2,025,229</u>				
<u>7,757,913</u>	<u>7,248,399</u>	<u>22,642,346</u>	<u>4,920,046</u>				
-	-	2,765,716	-				
109,940,267	108,738,537	10,197,977	8,932,147				
21,158,536	24,516,313	-	-				
2,792,928	3,226,566	-	-				
11,665,642	8,400,009	9,827,807	26,126,590				
<u>145,557,373</u>	<u>144,881,425</u>	<u>20,025,784</u>	<u>35,058,737</u>				
<u>\$ 153,315,286</u>	<u>\$ 152,129,824</u>	<u>\$ 45,433,846</u>	<u>\$ 39,978,783</u>				
\$ 145,557,373	\$ 144,881,425						
(2,442,417)	-						
47,014	(66,198)						
<u>\$ 143,161,970</u>	<u>\$ 144,815,227</u>						

CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2015
(with comparative totals for year ended December 31, 2014)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
OPERATING REVENUES:			
Charges for services	\$ 15,227,967	\$ 1,593,735	\$ 3,674,918
Other fees	42,926	-	46,858
Total operating revenue	<u>15,270,893</u>	<u>1,593,735</u>	<u>3,721,776</u>
OPERATING EXPENSES:			
Personal services	2,357,848	569,404	925,201
Materials and supplies	1,250,319	123,374	140,251
Insurance claims	-	-	-
Contractual services	9,458,424	565,605	2,636,520
Depreciation	4,315,812	477,926	421,240
Total operating expenses	<u>17,382,403</u>	<u>1,736,309</u>	<u>4,123,212</u>
OPERATING INCOME (LOSS)	<u>(2,111,510)</u>	<u>(142,574)</u>	<u>(401,436)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	563,247	15,627	97,727
Intergovernmental	21,536	-	262,499
Gain on disposal of capital assets	-	30,002	-
Contributions	-	93,949	-
Other	44,352	8,866	5,488
Interest expense	(87,440)	(9,657)	-
Total nonoperating revenues (expenses)	<u>541,695</u>	<u>138,787</u>	<u>365,714</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(1,569,815)</u>	<u>(3,787)</u>	<u>(35,722)</u>
CAPITAL CONTRIBUTIONS	3,408,727	1,427,713	715,384
TRANSFERS IN	747,752	100,000	-
TRANSFERS OUT	<u>(2,415,791)</u>	<u>(1,417,755)</u>	<u>(280,758)</u>
CHANGES IN NET POSITION	170,873	106,171	398,904
NET POSITION AT BEGINNING OF YEAR	117,023,591	9,313,262	18,544,572
CHANGE IN ACCOUNTING PRINCIPLE	-	-	-
NET POSITION AT END OF YEAR	<u>\$ 117,194,464</u>	<u>\$ 9,419,433</u>	<u>\$ 18,943,476</u>

Change in net position - Enterprise funds
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Change in net position of business-type activities

The notes to the financial statements are an integral part of this statement.

				Governmental Activities - Internal Service Funds			
Totals				Totals			
2015	2014			2015	2014		
\$ 20,496,620	\$ 19,262,460	\$		\$ 11,720,846	\$ 11,274,748		
89,784	123,761			184,975	210,690		
<u>20,586,404</u>	<u>19,386,221</u>			<u>11,905,821</u>	<u>11,485,438</u>		
3,852,453	3,764,581			5,917,777	5,142,197		
1,513,944	1,197,957			1,094,639	1,823,659		
-	-			216,582	404,613		
12,660,549	10,625,708			2,544,806	2,199,958		
5,214,978	5,006,972			1,463,484	1,356,868		
<u>23,241,924</u>	<u>20,595,218</u>			<u>11,237,288</u>	<u>10,927,295</u>		
<u>(2,655,520)</u>	<u>(1,208,997)</u>			<u>668,533</u>	<u>558,143</u>		
676,601	1,165,251			466,303	959,718		
284,035	323,461			15,209	44,486		
30,002	28,500			82,711	144,375		
93,949	3,180			63,090	-		
58,706	57,105			42,906	34,391		
(97,097)	(145,625)			-	-		
<u>1,046,196</u>	<u>1,431,872</u>			<u>670,219</u>	<u>1,182,970</u>		
(1,609,324)	222,875			1,338,752	1,741,113		
5,551,824	7,831,401			586,783	184,983		
847,752	-			373,128	289,832		
<u>(4,114,304)</u>	<u>(5,781,318)</u>			<u>(390,688)</u>	<u>(265,727)</u>		
675,948	2,272,958			1,907,975	1,950,201		
144,881,425	142,608,467			35,058,737	33,108,536		
-	-			(16,940,928)	-		
<u>\$ 145,557,373</u>	<u>\$ 144,881,425</u>	<u>\$</u>		<u>\$ 20,025,784</u>	<u>\$ 35,058,737</u>		
\$ 675,948	\$ 2,272,958						
113,212	98,339						
<u>\$ 789,160</u>	<u>\$ 2,371,297</u>						

CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015
(with comparative totals for year ended December 31, 2014)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers or users	\$ 15,233,403	\$ 1,553,845	\$ 3,678,516
Payments to suppliers	(10,643,367)	(729,117)	(2,807,759)
Payments to employees	(2,371,932)	(570,261)	(920,948)
Other operating revenue	44,352	8,866	5,488
Net cash flows from operating activities	<u>2,262,456</u>	<u>263,333</u>	<u>(44,703)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenues	21,536	-	262,499
Contributions	-	93,949	-
Transfers in from other funds	747,752	100,000	-
Transfers out to other funds	(2,415,791)	(1,417,755)	(280,758)
Net cash flows from noncapital financing activities	<u>(1,646,503)</u>	<u>(1,223,806)</u>	<u>(18,259)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(1,536,069)	(137,164)	(293,327)
Contributions	-	88,000	-
Special assessments for future construction	3,272,351	-	-
Proceeds from sale of capital assets	-	30,002	-
Principal paid on capital debt	(920,000)	-	-
Advances from other funds issued	-	1,349,000	-
Payment on advances from other funds	-	(292,455)	-
Interest paid on capital debt	(126,050)	(9,657)	-
Net cash flows from capital and related financing activities	<u>690,232</u>	<u>1,027,726</u>	<u>(293,327)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	558,150	15,402	98,803
Purchase/Sale of investments	-	-	-
Net cash flows from investing activities	<u>558,150</u>	<u>15,402</u>	<u>98,803</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,864,335	82,655	(257,486)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>19,705,881</u>	<u>943,396</u>	<u>7,079,413</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 21,570,216</u></u>	<u><u>\$ 1,026,051</u></u>	<u><u>\$ 6,821,927</u></u>

(Continued...)

				Governmental Activities - Internal Service Funds			
Totals				Totals			
2015	2014			2015	2014		
\$ 20,465,764	\$ 19,509,006	\$		11,920,545	\$ 11,492,521		
(14,180,243)	(11,566,747)			(4,588,792)	(4,187,675)		
(3,863,141)	(3,744,153)			(5,199,722)	(5,110,945)		
58,706	57,105			42,906	34,391		
<u>2,481,086</u>	<u>4,255,211</u>			<u>2,174,937</u>	<u>2,228,292</u>		
284,035	323,461			15,209	44,486		
93,949	3,180			63,090	-		
847,752	-			373,128	289,832		
<u>(4,114,304)</u>	<u>(5,781,318)</u>			<u>(390,688)</u>	<u>(265,727)</u>		
<u>(2,888,568)</u>	<u>(5,454,677)</u>			<u>60,739</u>	<u>68,591</u>		
(1,966,560)	(2,566,510)			(2,292,177)	(2,658,210)		
88,000	-			94,004	184,983		
3,272,351	3,907,734			-	-		
30,002	28,500			138,353	313,266		
(920,000)	(5,925,000)			-	-		
1,349,000	-			-	-		
(292,455)	(123,109)			-	-		
<u>(135,707)</u>	<u>(264,653)</u>			<u>-</u>	<u>-</u>		
<u>1,424,631</u>	<u>(4,943,038)</u>			<u>(2,059,820)</u>	<u>(2,159,961)</u>		
672,355	1,215,830			466,084	955,506		
-	5,006,917			-	-		
<u>672,355</u>	<u>6,222,747</u>			<u>466,084</u>	<u>955,506</u>		
1,689,504	80,243			641,940	1,092,428		
<u>27,728,690</u>	<u>27,648,447</u>			<u>30,431,054</u>	<u>29,338,626</u>		
<u>\$ 29,418,194</u>	<u>\$ 27,728,690</u>	<u>\$</u>		<u>31,072,994</u>	<u>\$ 30,431,054</u>		

**CITY OF PLYMOUTH, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2015
 (with comparative totals for year ended December 31, 2014)**

(Continued from previous page)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ (2,111,510)	\$ (142,574)	\$ (401,436)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	4,315,812	477,926	421,240
Other revenue	44,352	8,866	5,488
Changes in assets, deferred outflows, liabilities, and deferred inflows:			
Accounts receivable	(68,589)	9,740	(44,537)
Special assessments receivable	32,562	-	-
Due from other governments	(78)	695	4,071
Inventory	13,127	526	-
Prepaid expenses	(2,168)	-	3,015
Deferred outflows for pension plan deferments	-	-	-
Accounts payable	3,721	(42,341)	(8,612)
Due to other governments	50,696	1,677	(25,391)
Accrued salaries payable	(14,084)	(857)	4,253
OPEB	-	-	-
Pension liability	-	-	-
Compensated absences payable	-	-	-
Unearned revenue	(1,385)	(50,325)	(2,794)
Deferred inflows for pension plan deferments	-	-	-
Total adjustments	<u>4,373,966</u>	<u>405,907</u>	<u>356,733</u>
Net cash flows from operating activities	<u>\$ 2,262,456</u>	<u>\$ 263,333</u>	<u>\$ (44,703)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Contributions of capital assets from City funds	210,029	1,339,713	192,684
Contribution of capital asset from others	737,056	-	522,700
Trade-in values on capital asset purchases	-	-	-
Increase (decrease) in capital assets from accounts and contracts payable	87,682	-	409,339

The notes to the financial statements are an integral part of this statement.

		Governmental Activities - Internal Service Funds	
Totals		Totals	
2015	2014	2015	2014
\$ (2,655,520)	\$ (1,208,997)	\$ 668,533	\$ 558,143
5,214,978	5,006,972	1,463,484	1,356,868
58,706	57,105	42,906	34,391
(103,386)	169,308	576	10,049
32,562	3,833	-	-
4,688	(27,267)	11,253	6,270
13,653	46,882	7,549	3,605
847	(19,621)	(215,902)	(114,059)
-	-	(2,458,685)	-
(47,232)	172,874	(523,288)	201,311
26,982	56,783	(1,124)	(3,436)
(10,688)	20,428	42,006	10,996
-	-	221,947	153,134
-	-	82,643	-
-	-	64,428	16,222
(54,504)	(23,089)	2,895	(5,202)
-	-	2,765,716	-
<u>5,136,606</u>	<u>5,464,208</u>	<u>1,506,404</u>	<u>1,670,149</u>
<u>\$ 2,481,086</u>	<u>\$ 4,255,211</u>	<u>\$ 2,174,937</u>	<u>\$ 2,228,292</u>

1,742,426	915,813	492,778	197,451
1,259,756	3,172,905	-	-
-	-	55,642	222,673
497,021	(5,071)	-	-

This page intentionally left blank



NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Plymouth, Minnesota (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units by the Governmental Accounting Standards Board (GASB). The City's significant accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

The City of Plymouth, Minnesota (the City) was formed and operates pursuant to applicable Minnesota laws and statutes. On January 1, 1993, the City adopted a home rule charter and operates under a council-manager form of government. The council is composed of a mayor, four ward council members, and two at-large council members.

As required by accounting principles generally accepted in the United States of America (generally accepted accounting principles), these financial statements present the City of Plymouth (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Discretely Presented Component Units

The component unit columns in the government-wide statements include the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

The Housing and Redevelopment Authority (HRA) of Plymouth is a separate legal entity governed by a board, which is appointed by the City Council. The Council reviews and approves the HRA tax levies and budgets, and the City provides major community development financing for HRA activities. Debt issued for HRA activities are City general obligation debt issues. The HRA is established to provide housing and redevelopment assistance to the City's citizens and to carry out certain housing and redevelopment projects and programs using City employees, which enables the City to meet federal and state housing requirements. The HRA provides assistance through general taxes and administers the City's Community Development Block Grant program.

The HRA operates the Section 8 rental subsidy program as a direct recipient from the Department of Housing and Urban Development. The HRA operates Plymouth Towne Square, a 99-unit senior independent living community for moderate and low-income Plymouth citizens. In addition, the HRA operates Vicksburg Crossing, a 96-unit senior independent community of which a portion of the units are available for moderate and low-income Plymouth citizens, and the remainder are market rate. Rental subsidies are made to tenants by a portion of the HRA property tax levy.

As the City appoints the HRA commission and has the ability to hire or dismiss those persons responsible for its day-to-day operations, the HRA is considered a component unit of the City.

The HRA does not publish separate financial statements. The financial statements are included in this report.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The government-wide Statement of Activities reflect the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, service, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separated columns in the fund financial statements. Each financial presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Major Governmental Funds – The City reports the following major governmental funds:

- *General Fund* – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. This fund records revenues such as property tax revenues, licenses and permits, fines and penalties, intergovernmental revenues, and investment earnings. Most of the current day-to-day operations of the governmental units are financed from this fund.
- *Special Revenue Fund*
 - *Transit System Fund* – Revenues from the Minnesota Vehicle Excise Tax and fares, and expenditures for the Plymouth Metrolink system are accounted for in this fund.
- *Capital Project Funds*
 - *General Capital Projects Fund* – Used to account for construction costs related to the City’s buildings and park improvements.
 - *Improvement Projects Fund* – Used to account for expenditures incurred in the construction of certain public improvements such as residential streets, sidewalks, and storm sewers.
 - *Infrastructure Replacement Fund* – This fund is used to account for accumulation of resources for major infrastructure repair and replacement.

Major Proprietary Funds – The City reports the following major proprietary funds:

- *Water Sewer Utility Fund* – Used to account for providing water and sewer services to the City’s residents.
- *Ice Center Fund* – Used to account for the operations of the City’s ice center.

Other Funds – The City reports the following other funds:

- *Internal Service Funds* - Used to account for central equipment, public facilities, information technology, risk management, employee benefits, and resource planning services provided to other departments of the City on a cost-reimbursement basis.

The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Governmental Funds:

- *Measurement Focus* - Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources (if any), current liabilities, and deferred inflows generally are included on the balance sheet. Reported fund balance is considered a measure of “available spendable resources”. Governmental fund operating statements represent increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- *Basis of Accounting* - Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.
- *Revenues* - Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes, including delinquent taxes received within 60 days after year-end to be available. Licenses and permits, fines and forfeitures, intergovernmental revenues, charges for services, and investment earnings are considered to be available if they are collected within 60 days. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.
- *Unavailable Revenues* - unavailable revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when all revenue recognition criteria are met, the liability for unavailable revenue is removed and revenue is recognized.
- *Expenditures* - Expenditures generally are recorded when a liability is incurred, defined as accrual accounting. However, debt service expenditures, as well as other long-term liabilities, are recorded only when payment is due.

Proprietary Funds:

- *Measurement Focus* - Proprietary funds are accounted for on a flow of economic resources measurement focus. This means that all assets, including capital assets, and all liabilities, including long-term liabilities and deferred outflows/inflows, associated with fund activity are included on the balance sheets. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.
- *Basis of Accounting* - Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. Unbilled utility service receivables are recorded at year-end.
- *Operating versus Non-operating Items* - Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the City’s enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments of other charges between the City’s water sewer utility function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported from the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION, OR EQUITY

1. *Cash and Investments*

Deposits and Investments

The cash balances of the City and its component unit funds are pooled and invested for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at year end, based on market prices. The City has the ability and intent to hold its investments to maturity. The individual funds' portions of the pool's fair value are presented as "Cash and investments". Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Cash and Cash Equivalents

The City considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits. In addition, because the pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

2. *Receivables and Payables*

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet and are short-term in nature. Advances to other funds and advances from other funds are considered long-term receivables/payables. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority. The County spreads all levies over taxable property.

Within the governmental fund financial statements, property taxes are accrued and recognized as revenue, excluding delinquent taxes received over 60 days after year-end. Taxes that remain unpaid are classified as delinquent taxes receivable and are fully offset by unavailable revenue, because they are not known to be available to finance current expenditures. An allowance for abated taxes has been recorded as a reduction in property tax revenue and unavailable revenue. Unavailable revenue in governmental activities is susceptible to full accrual on the government-wide statements. Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. Personal property taxes may be paid on May 15. The county provides tax settlements to cities and other taxing districts four times a year, in June, July, December, and January of the following year.

Special Assessments are levied against benefited properties for the cost, or a portion of the cost, of special assessment improvement projects in accordance with Minnesota Statutes. These assessments are collectible by the City over a term of years. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to prepay future installments without interest or prepayment penalties.

Within the governmental fund financial statements, special assessment principal installments are recognized as revenue when they become measurable and available. Special assessment interest revenues are recognized when due, net of delinquencies. Unavailable revenue in governmental activities is susceptible to full accrual on the government-wide statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Trade receivables include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables account for the majority of these receivables. The City annually certifies delinquent water and sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

The City and the HRA, in efforts to further develop the community, lend funds to certain developers for specific projects and to homeowners for first-time home buyer purchases as notes receivable. The disbursement under the notes are recorded as current expenditures. The note receivable is also recorded with a corresponding unavailable revenue amount. As the notes are repaid, the repayments are recorded as current revenue, and the notes receivable and unavailable revenue amounts are reduced accordingly. Unavailable revenue in governmental activities is susceptible to full accrual on the government-wide statements.

As part of the rehabilitation program, interest-free loans are given to low and moderate-income households to maintain, repair, and improve their homes. The loan disbursements are recorded as current expenditures. Payments are deferred and loans are forgiven after 20 years if the homeowner continues to own and occupy the home. The HRA does not recognize notes receivable and corresponding unavailable revenue on these loans. If the property is sold within 20 years, the loan is required to be repaid and is recorded as current revenue.

Receivables not expected to be collected within one year are notes receivable of \$2,196,230, interest on notes receivable of \$130,213 and unavailable special assessments receivable of \$4,412,016.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of inventory is recorded as an expenditure when consumed (i.e., consumption method) in the Governmental Fund types.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Land and construction in progress are not depreciated. Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	5 - 50
Improvements other than buildings	10 - 25
Machinery and equipment	2 - 20
Infrastructure	15 - 100

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

5. *Compensated Absences*

Employees accrue *vacation/annual leave* at increments based on years of service. Such pay is reflected as a liability in the employee benefit fund as well as the government-wide statement of net position. The related expenditures/expenses are reflected on the fund statements based on each employees' distribution. The City compensates all employees upon termination for unused leave up to a maximum of 480 hours.

Employees accrue *extended illness leave* up to a maximum lifetime accrual of 600 hours. They are entitled to draw upon their banks for approved leave extending beyond three weeks in duration. This type of leave is expended/expensed as it is paid from all funds. Employees are not compensated upon termination for remaining balances.

6. *Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources and discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

7. *Interfund Activity*

Interfund services provided and used are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

8. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applied to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in the category, deferred outflows of resources related to pensions, reported in the government-wide and proprietary funds statement of Net Position. This deferred outflow results from differences between expected and actual experience, changes of assumptions, and projected and actual earnings on pension plan investments, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items which qualify for reporting in this category.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The first item, unavailable revenue, arises only under a modified accrual basis of accounting and therefore is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grants, and other miscellaneous receivables not received within 60 days. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The second item, deferred inflows of resources related to pensions, is reported in the government-wide and proprietary funds statement of net position. This deferred inflow results from differences between expected and actual experience, changes of assumptions, and difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized as required under pension standards.

9. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of amounts that can be used only for specific purposes determined by a formal action of the government's high level of decision-making authority. The Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to Council Resolution, the City Manager, Administrative Services Director, or Finance Manager are authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, then use unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

10. Pension Plans

For purposes of measuring the net pension liability/asset, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the applicable pension and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the plan except that the Public Employees Retirement Association's (PERA) fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Use of Estimates

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Comparative Data/Reclassifications

Comparative total information for the prior year has been presented only for the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

13. Net Position

Net position represent the difference between assets plus deferred outflows of resources and deferred inflows of resources plus liabilities. Net position is displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.
- b. Restricted net position – Net position whose use is limited by external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- c. Unrestricted net position – All other net position that does not meet the definition of “net investment in capital assets” or “restricted”.

14. Change in Accounting Principles

During the year ended December 31, 2015, the City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 and GASB Statement No. 71—Pension Transition for Contributions Made Subsequent to the Measurement Date. These statements included major changes in how employers account for pension benefit expenses and liabilities. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting (government-wide and proprietary funds), an employer is required to recognize a liability for its share of the net pension liability provided through the pension plan. An employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources for its share related to pensions. This standard required retroactive implementation, which resulted in the restatement of net position as of December 31, 2014. The details of the restatement are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Internal Service Funds</u>
Net Position - December 31, 2014 (as reported)	\$ 290,232,864	\$ 144,815,227	\$ 35,058,737
Net pension asset	3,214,254	–	–
Deferred outflows related to pensions	891,865	–	891,865
Net pension liability	(17,832,793)	–	(17,832,793)
Beginning internal balance adjustment for pension related items	<u>2,442,417</u>	<u>(2,442,417)</u>	<u>–</u>
Net Position - December 31, 2014 (as restated)	<u>\$ 278,948,607</u>	<u>\$ 142,372,810</u>	<u>\$ 18,117,809</u>

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General and certain Special Revenue Funds.

Budgeted amounts are as originally adopted, or as amended by the City Council. All budgetary amendments and transfers require approval of the City Council. Budgeted expenditure appropriations lapse at year-end.

Encumbrance accounting is employed in Governmental Funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the resources will be reappropriated and honored during the subsequent year.

Legal Compliance – Budgets

The City follows the procedures below in establishing the budgetary data reflected in the enclosed financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. The City Council may authorize transfers of budgeted amounts between city funds.
5. The City legally adopts budgets and formal budgetary integration is employed as a management control device during the year for the General Fund and certain Special Revenue Funds (Recreation Fund, Community Development Block Grant Fund, and Transit System Fund).

Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through bond indenture provisions, or for Capital Projects Funds because budgetary control is alternatively achieved through the use of project controls.

6. The legal level of budgetary control is at the fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., salaries, wages, and benefits; material, supplies, and services; capital outlay) within each activity. This means that General Fund and certain Special Revenue Fund individual line items may overspend budgeted amounts without council approval as long as the actual fund expenditures do not exceed the total fund budget.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the Community Development Block Grant Special Revenue Fund by \$174,387 and in the Component Unit - HRA General Fund by \$572,361, which were financed with revenues in excess of budget.

C. DEFICIT FUND EQUITY

The following funds had a deficit fund equity as of December 31, 2015. The Tax Increment Bonds fund deficit will be eliminated in 2016 when tax increment revenue is recognized. The Employee Benefits fund deficit will remain until which time the net pension liability is fully funded. Vicksburg Crossing’s deficit will be eliminated over time as the occupancy rate increases and debt service obligations and depreciation decrease.

<u>Fund</u>	<u>Fund Equity</u>
Tax Increment Bonds	(28,286)
Employee Benefits	(16,590,298)
Component Unit - Vicksburg Crossing	(1,531,404)

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 3: CASH AND INVESTMENTS

A. COMPONENTS OF CASH AND INVESTMENTS

Cash and investments at year-end consist of the following:

	Primary <u>Government</u>	Component <u>Unit</u>	<u>Total</u>
Deposits	\$ 2,279,459	\$ 930,447	\$ 3,209,906
Investments	143,338,914	5,153,193	148,492,107
Cash on hand	<u>5,540</u>	<u>-</u>	<u>5,540</u>
Total	<u>\$ 145,623,913</u>	<u>\$ 6,083,640</u>	<u>\$ 151,707,553</u>

Cash and investments are presented in the financial statements as follows:

Statement of Net Position:

Cash and investments	<u>\$ 145,623,913</u>	<u>\$ 6,083,640</u>	<u>\$ 151,707,553</u>
----------------------	-----------------------	---------------------	-----------------------

B. DEPOSITS

In accordance with applicable Minnesota Statutes, the City and its component unit maintain deposits at depository banks authorized by the City Council, including checking and savings accounts.

The following is considered the most significant risk associated with deposits:

Custodial credit risk – In the case of deposits, this is the risk that in the event of a bank failure, the deposits may be lost.

Minnesota Statutes require that all city deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City has no additional deposit policies addressing custodial credit risk for deposits.

At year-end, the carrying amount of the City’s deposits was \$2,279,459 while the balance on the bank records was \$3,620,140. The carrying amount of the component unit’s deposits was \$930,447 while the balance on the bank records was \$944,316. At December 31, 2015, all deposits were fully covered by federal depository insurance or by collateral held by the City’s agent in the City’s name.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 3: CASH AND INVESTMENTS - CONTINUED

C. INVESTMENTS

The City is authorized by Minnesota Statute Chapter 118A, and the City's investment policy, to invest in the following:

1. Bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by Congress.
2. State and local securities that consist of the following:
 - any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating agency;
 - any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating agency; or
3. Commercial paper, with a maturity of 270 days or less, issued by United States corporations or their Canadian subsidiaries that is rated highest tier by at least two nationally recognized rating agencies, and is not rated less than highest tier by any nationally recognized rating agency.
4. Repurchase agreements with qualified institutions backed by collateral consisting of the foregoing.
5. Securities lending agreements with qualified financial institutions.
6. Banker's acceptances of United States banks that are eligible for purchase by the Federal Reserve System.
7. Money market mutual funds meeting the conditions of rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized rating organization.

The City and its component unit have the following cash and investment balances at year end:

Investment Type	Interest Risk - Maturity in Years				Total
	Less than 1	1 to 5	6 to 10	11 to 15	
US Government Securities:					
US Small Business Administration	\$ -	\$ -	\$ 2,838,423	\$ -	\$ 2,838,423
GNMA Pass Through Pool	-	-	950,401	1,895,465	2,845,866
US Agency Securities:					
Federal Agriculture					
Mortgage Corporation	-	2,992,380	1,005,300	-	3,997,680
Federal Farm Credit Bank	-	3,929,660	9,954,860	-	13,884,520
Federal Home Loan Bank	2,195,215	13,923,910	4,921,070	-	21,040,195
Federal Home Loan					
Mortgage Corporation	-	17,876,680	-	-	17,876,680
Federal National					
Mortgage Association	-	17,932,880	1,982,880	927,506	20,843,266
FNMA Pass Through Pool	-	-	2,570,475	-	2,570,475
Municipal Bonds	4,003,146	18,701,184	8,487,052	980,210	32,171,592
Negotiable Certificate of Deposit	719,573	2,459,429	-	-	3,179,002
Banker's Acceptance	4,997,065	-	-	-	4,997,065
Commercial Paper	22,247,343	-	-	-	22,247,343
Total investments	<u>\$ 34,162,342</u>	<u>\$ 77,816,123</u>	<u>\$ 32,710,461</u>	<u>\$ 3,803,181</u>	148,492,107
Deposits					3,209,906
Change funds					5,540
Cash and investments					<u>\$ 151,707,553</u>

Note 3: CASH AND INVESTMENTS – CONTINUED

The investments are potentially subject to various risks; the following of which are considered the most significant:

Custodial credit risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy addresses this risk by requiring that securities be held by a third-party custodian. The City does not have a custodial credit risk because all investments are held in the City's name.

Credit risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk is addressed by confining investments to those securities specifically authorized by state statutes and the City's investment policy. It is the City's policy to limit its investments in the authorized investment types to those rated in the top rating tiers issued by nationally recognized statistical rating organizations. As of December 31, 2015, the City's investments in US agency securities were rated A or better by Standard & Poor's and/or A2 or better by Moody's Investors Service, municipal bonds were rated AA or higher by Standard & Poor's and/or AA3 or higher by Moody's Investor Service, bankers acceptance was rated A-1 by Standard & Poor's and P1 by Moody's Investor Service and the City's commercial paper investments were rated A-1 by Standard & Poor's and P1 by Moody's Investors Service. Non-negotiable CD's held by the City are not rated.

Concentration risk – This is the risk associated with investing a significant portion of the City's investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. It is the City's policy to limit its investment in commercial paper to no more than 20% of the total portfolio. The City's holdings at year end fully complied with this requirement. At year end, the City's investments in four U.S. Agency issuers did exceed 5% of the total portfolio. These issuers were the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. These issuers have an implicit guarantee from the federal government but are not backed by the full faith and credit of the federal government. The City also had holdings in US Bank commercial paper in excess of 5%.

Interest rate risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City does have an investment policy which requires diversification in terms of maturity and limits the maximum maturity of an investment to 15 years. At year end, the City had 23.01% of investments with a maturity date within one year, 52.40% with a maturity date between one and five years, 22.03% with a maturity date between six and ten years, and 2.56% with a maturity date between eleven and fifteen years.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Decreases	Ending Balance
Primary government:				
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 41,206,848	\$ 858,080	\$ (12,477)	\$ 42,052,451
Construction in progress	20,357,944	5,293,430	-	25,651,374
Total capital assets, not being depreciated	<u>61,564,792</u>	<u>6,151,510</u>	<u>(12,477)</u>	<u>67,703,825</u>
Capital assets, being depreciated				
Buildings	40,492,537	61,820	(15,309)	40,539,048
Improvements other than buildings	23,528,510	2,266,879	(438,309)	25,357,080
Machinery and equipment	32,728,444	3,448,891	(971,765)	35,205,570
Infrastructure	260,406,217	6,274,963	(169,351)	266,511,829
Total capital assets, being depreciated	<u>357,155,708</u>	<u>12,052,553</u>	<u>(1,594,734)</u>	<u>367,613,527</u>
(Less) Accumulated depreciation for:				
Buildings	(15,723,970)	(1,031,616)	15,309	(16,740,277)
Improvements other than buildings	(12,018,386)	(1,011,643)	358,235	(12,671,794)
Machinery and equipment	(19,204,010)	(2,076,446)	908,923	(20,371,533)
Infrastructure	(171,020,998)	(7,502,724)	169,351	(178,354,371)
Total accumulated depreciation	<u>(217,967,364)</u>	<u>(11,622,429)</u>	<u>1,451,818</u>	<u>(228,137,975)</u>
Total capital assets, being depreciated, net	<u>139,188,344</u>	<u>430,124</u>	<u>(142,916)</u>	<u>139,475,552</u>
Governmental activities capital assets, net	<u>\$ 200,753,136</u>	<u>\$ 6,581,634</u>	<u>\$ (155,393)</u>	<u>\$ 207,179,377</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 3,199,264	\$ 80,674	\$ -	\$ 3,279,938
Construction in progress	482,105	368,309	-	850,414
Total capital assets, not being depreciated	<u>3,681,369</u>	<u>448,983</u>	<u>-</u>	<u>4,130,352</u>
Capital assets, being depreciated				
Buildings	54,250,212	1,133,609	(13,310)	55,370,511
Improvements other than buildings	5,237,827	602,792	(4,205)	5,836,414
Machinery and equipment	14,915,740	233,439	(79,566)	15,069,613
Infrastructure	106,289,230	3,046,941	-	109,336,171
Total capital assets, being depreciated	<u>180,693,009</u>	<u>5,016,781</u>	<u>(97,081)</u>	<u>185,612,709</u>
(Less) Accumulated depreciation for:				
Buildings	(22,950,229)	(1,628,103)	13,310	(24,565,022)
Improvements other than buildings	(1,885,908)	(226,764)	4,205	(2,108,467)
Machinery and equipment	(10,581,641)	(1,070,608)	79,566	(11,572,683)
Infrastructure	(35,091,048)	(2,289,503)	-	(37,380,551)
Total accumulated depreciation	<u>(70,508,826)</u>	<u>(5,214,978)</u>	<u>97,081</u>	<u>(75,626,723)</u>
Total capital assets, being depreciated, net	<u>110,184,183</u>	<u>(198,197)</u>	<u>-</u>	<u>109,985,986</u>
Business-type activities capital assets, net	<u>\$ 113,865,552</u>	<u>\$ 250,786</u>	<u>\$ -</u>	<u>\$ 114,116,338</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 4: CAPITAL ASSETS – CONTINUED

	Beginning Balance	Additions	Decreases	Ending Balance
<u>Component unit:</u>				
Governmental activities:				
Capital assets, being depreciated				
Buildings	\$ 175,169	\$ -	\$ -	\$ 175,169
(Less) Accumulated depreciation for:				
Buildings	(24,329)	(5,839)	-	(30,168)
Governmental activities capital assets, net	<u>\$ 150,840</u>	<u>\$ (5,839)</u>	<u>\$ -</u>	<u>\$ 145,001</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 1,333,840	\$ -	\$ -	\$ 1,333,840
Capital assets, being depreciated				
Buildings	15,094,825	-	(15,486)	15,079,339
Improvements other than buildings	350,183	72,413	(9,107)	413,489
Machinery and equipment	780,751	-	-	780,751
Total capital assets, being depreciated	<u>16,225,759</u>	<u>72,413</u>	<u>(24,593)</u>	<u>16,273,579</u>
(Less) Accumulated depreciation for:				
Buildings	(5,843,157)	(469,631)	15,486	(6,297,302)
Improvements other than buildings	(169,356)	(15,388)	9,107	(175,637)
Machinery and equipment	(529,832)	(44,280)	-	(574,112)
Total accumulated depreciation	<u>(6,542,345)</u>	<u>(529,299)</u>	<u>24,593</u>	<u>(7,047,051)</u>
Total capital assets, being depreciated, net	<u>9,683,414</u>	<u>(456,886)</u>	<u>-</u>	<u>9,226,528</u>
Business-type activities capital assets, net	<u>\$ 11,017,254</u>	<u>\$ (456,886)</u>	<u>\$ -</u>	<u>\$ 10,560,368</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 4: CAPITAL ASSETS – CONTINUED

<u>Primary government:</u>	<u>Amount</u>
Depreciation expense was charged to governmental functions as follows:	
General Government	\$ 278,296
Parks and Recreation	1,428,863
Public Safety	507,307
Public Works	7,774,667
Public Service	169,812
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	1,463,484
Total depreciation expense - governmental activities	<u>\$ 11,622,429</u>
Depreciation expense was charged to business-type functions as follows:	
Water Sewer Utility	\$ 4,315,812
Ice Center	477,926
Water Resources	351,671
Solid Waste Management	3,289
Field House	66,280
Total depreciation expense - business-type activities	<u>\$ 5,214,978</u>
<u>Component unit:</u>	
Depreciation expense was charged to governmental functions as follows:	
Public Service	<u>\$ 5,839</u>
Depreciation expense was charged to business-type functions as follows:	
Plymouth Towne Square	\$ 189,115
Vicksburg Crossing	340,184
Total depreciation expense - component unit activities	<u>\$ 529,299</u>

Construction commitments

The City has active construction projects at year end. The projects include street improvements, construction of City capital assets, water and sewer facilities, and park and recreation facilities. At year end the commitments are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>Primary Government</u>		
Park improvement	\$ 162,409	\$ -
Residential streets	1,713,373	-
Water resources management	-	332,658
Water and sewer utility	-	502,796
Total	<u>\$ 1,875,782</u>	<u>\$ 835,454</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 5: LONG-TERM DEBT

A. GENERAL OBLIGATION BONDS

Primary government

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

Component unit

The HRA issues general obligation bonds to provide funds for the acquisition and construction of capital facilities.

B. GENERAL OBLIGATION WATER REVENUE BONDS

General Obligation Revenue Bonds

The City issues bonds that are general obligations of the City for which the City pledges its full faith and credit and power to levy taxes. In addition, the City pledges net revenues of its water utility.

C. OBLIGATIONS OUTSTANDING

Long-term obligations outstanding at December 31, 2015 are summarized as follows:

	Interest Rates (%)	Payment Dates	Issue Date	Maturity Date	Authorized and Issued	Amount Retired	Debt Outstanding
<u>Primary government</u>							
Governmental activities:							
GENERAL OBLIGATION BONDS:							
Open Space Bonds - 2007A	3.75-3.90	2/01 8/01	11/15/07	2/1/24	\$ 2,715,000	\$ 915,000	\$ 1,800,000
Open Space Bonds - 2010A	2.00-3.25	2/01 8/01	8/24/10	2/1/26	2,990,000	655,000	2,335,000
GO Refunding Bonds - 2012A	2.00-3.00	2/01 8/01	4/5/12	2/1/25	4,815,000	180,000	4,635,000
Open Space Bonds - 2015A	2.00-3.00	2/01 8/01	3/4/15	2/1/27	3,295,000	-	3,295,000
Total general obligation					<u>13,815,000</u>	<u>1,750,000</u>	<u>12,065,000</u>
GENERAL OBLIGATION BONDS - TAX INCREMENT:							
Tax Increment Refunding Bonds - 2007	3.00-3.50	2/01 8/01	11/24/09	2/1/23	2,490,000	645,000	1,845,000
Total governmental activities					<u>16,305,000</u>	<u>2,395,000</u>	<u>13,910,000</u>
Business-type activities:							
GO Revenue Refunding Bonds - 2012A	2.00-3.00	2/01 8/01	4/5/12	2/1/19	4,955,000	1,060,000	3,895,000
Total primary government bonds payable					<u>\$ 21,260,000</u>	<u>\$ 3,455,000</u>	<u>\$ 17,805,000</u>
<u>Component unit</u>							
Business-type activities:							
Governmental Housing Project Housing Bonds - 2005	3.75-5.00	02/01 08/01	5/1/05	2/1/16	\$ 10,650,000	\$10,410,000	\$ 240,000
Governmental Housing Project Refunding Bonds - 2011A	3.00-3.25	04/01 10/01	2/23/11	10/1/23	3,165,000	750,000	2,415,000
Governmental Housing Project Refunding Bonds - 2012A	2.00-3.25	02/01 08/01	4/5/12	2/1/35	9,890,000	-	9,890,000
Total component unit bonds payable					<u>\$ 23,705,000</u>	<u>\$11,160,000</u>	<u>\$ 12,545,000</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 5: LONG-TERM DEBT – CONTINUED

Annual debt service requirements to maturity for bonds are as follows:

Year Ending December 31	Primary Government Governmental Activities		Primary Government Business-type Activities		Component Unit Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
	2016	\$ 995,000	\$ 402,651	\$ 935,000	\$ 102,825	\$ 670,000
2017	1,145,000	370,251	965,000	74,325	690,000	310,088
2018	1,185,000	334,995	990,000	45,000	710,000	293,338
2019	1,240,000	297,991	1,005,000	15,075	730,000	276,188
2020	1,285,000	259,319	-	-	745,000	258,588
2021-2025	6,615,000	656,179	-	-	3,330,000	1,017,238
2026-2030	1,445,000	33,906	-	-	2,635,000	653,438
2031-2035	-	-	-	-	3,035,000	245,900
	<u>\$ 13,910,000</u>	<u>\$ 2,355,293</u>	<u>\$ 3,895,000</u>	<u>\$ 237,225</u>	<u>\$ 12,545,000</u>	<u>\$ 3,383,463</u>

D. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Accounting Principle *	Additions	Reductions	Ending Balance	Amounts due within one year
Primary government:						
Governmental activities:						
Bonds payable:						
General obligation bonds	\$ 14,075,000	\$ -	\$ 3,295,000	\$ 5,305,000	\$ 12,065,000	\$ 825,000
General obligation bonds - tax increment	2,925,000	-	-	1,080,000	1,845,000	170,000
Deferred amounts:						
Issuance premiums (discounts)	358,177	-	121,407	43,837	435,747	-
Total bonds payable	17,358,177	-	3,416,407	6,428,837	14,345,747	995,000
OPEB liability	1,288,699	-	355,017	133,070	1,510,646	-
Net pension liability	-	17,832,793	5,508,218	5,425,575	17,915,436	-
Compensated absences	2,505,068	-	1,420,451	1,356,023	2,569,496	1,383,143
Governmental activity						
Long-term liabilities	21,151,944	17,832,793	10,700,093	13,343,505	36,341,325	2,378,143
Business-type activities:						
Bonds payable:						
General obligation bonds - refunding	4,815,000	-	-	920,000	3,895,000	935,000
Deferred amounts:						
Issuance premiums (discounts)	312,015	-	-	30,944	281,071	-
Business-type activity						
Long-term liabilities	5,127,015	-	-	950,944	4,176,071	935,000
Primary government						
Long-term liabilities	\$ 26,278,959	\$ 17,832,793	\$ 10,700,093	\$ 14,294,449	\$ 40,517,396	\$ 3,313,143
Component unit:						
Business-type activities:						
Bonds payable:						
General obligation bonds	\$ 9,675,000	\$ -	\$ -	\$ 9,435,000	\$ 240,000	\$ 240,000
General obligation bonds - refunding	12,560,000	-	-	255,000	12,305,000	430,000
Deferred amounts:						
Issuance premiums (discounts)	5,197	-	-	3,825	1,372	-
Total bonds payable	22,240,197	-	-	9,693,825	12,546,372	670,000
Compensated absences	4,436	-	9,224	8,774	4,886	4,886
Component unit						
Long-term liabilities	\$ 22,244,633	\$ -	\$ 9,224	\$ 9,702,599	\$ 12,551,258	\$ 674,886

* Adjustment is part of the change in accounting principle described earlier in these notes.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 5: LONG-TERM DEBT – CONTINUED

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, compensated absences, OPEB and net pension liability, which are reported in the internal service funds, are included in the above amounts. Also, for the governmental activities, compensated absences, OPEB and net pension liability are generally liquidated by the general fund.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. If special assessments are not adequate to retire outstanding debt, the City’s full faith and credit are pledged for their redemption.

On April 5, 2012, the City issued General Obligation Refunding Bonds, series 2012A, with an average interest rate of 2.95%, for refunding the General Obligation Capital Improvement Plan Bonds, series 2004A and the General Obligation Water Revenue Bonds, series 2004B, with average interest rates of 4.62% and 4.15%, respectively. The retirement of the 2004A series occurred on February 1, 2015. The retirement of the 2004B series occurred on February 1, 2014. The refunding will result in a \$750,440 gross debt service savings over the next 13 years and an economic gain of \$684,262.

On April 5, 2012, the HRA issued Governmental Housing Project Refunding Bonds, series 2012A, with an average interest rate of 2.72%, and will refund the 2017-2035 maturities of the Governmental Housing Project Bonds, series 2005, with an average interest rate of 4.74%. The retirement of the 2005 series occurred on February 1, 2015. The refunding will result in a \$1,869,606 gross debt service savings over the next 23 years and an economic gain of \$1,215,590.

On March 4, 2015, the City issued General Obligation Open Space Bonds, series 2015A, with an average interest rate of 2.30%.

There are a number of financial limitations and restrictions contained in the various bond indentures. At December 31, 2015, the City is in compliance with all significant financial limitations and restrictions and has no federal arbitrage payable.

E. PLEDGED REVENUE

The following table reflects bonds in which revenue is pledged to meet the debt obligations required.

Bond Issue	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
Water Refunding Bonds - 2012A	Bond originally issued for Water Treatment System	Utility Charges	100%	2012-2019	\$ 4,132,225	\$ 1,046,050	\$ 1,098,353
Tax Increment Refunding Bonds - 2009A	Site Improvements within Housing District	Tax Increment	100%	2010-until debt obligations are paid in full	\$ 2,128,325	\$ 225,650	\$ 146,830
Governmental Housing Refunding Bonds - 2011A	Governmental Housing Project	Rental Revenue	100%	2011-2023	\$ 2,759,651	\$ 335,938	\$ 159,981
Governmental Housing Bonds - 2005	Senior Housing Project	Rental Revenue	100%	2005-2016	\$ 244,800	\$ 447,488	\$ 732,053
Governmental Housing Refunding Bonds - 2012A	Refunding of Series 2005 Bonds above	Rental Revenue	100%	2015-2035	\$ 12,924,012	\$ 126,100	\$ 732,053

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2015, is as follows:

Advances to other funds and advances from other funds represent interfund borrowing to provide interim financing for construction projects or other purposes. Such loans bear interest at the rate of 1.5% to 4.0%.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 4,159
General Capital Projects	Nonmajor Governmental	790,202
Nonmajor Governmental	Nonmajor Governmental	1,102,825
Nonmajor Governmental	Ice Center	1,700,347
		<u>\$ 3,597,533</u>

The purpose of transfers are to provide funding for capital improvement projects and capital outlay, provide funding for operating purposes, return unused funds, and other miscellaneous items.

Transfer Out:	Transfer In:			
	General	General Capital Projects	Improvement Projects	Infrastructure Replacement
General	\$ -	\$ 2,750,592	\$ 49,032	\$ -
General Capital Projects	-	-	-	-
Improvement Projects	137,401	-	-	2,615
Infrastructure Replacement	-	-	7,510,194	-
Nonmajor Governmental Funds	80,000	2,308,438	1,727,986	-
Water Sewer Utility	141,210	-	2,185,062	-
Ice Center	11,939	1,405,816	-	-
Nonmajor Enterprise Funds	39,141	62,534	155,222	-
Internal Service Funds	18,516	372,096	-	-
Total	<u>\$ 428,207</u>	<u>\$ 6,899,476</u>	<u>\$ 11,627,496</u>	<u>\$ 2,615</u>

Transfer Out:	Transfer In:				
	Nonmajor Governmental Funds	Water/Sewer Utility	Ice Center	Internal Service Funds	Total
General	\$ 1,919	\$ -	\$ -	\$ 185,500	\$ 2,987,043
General Capital Projects	1,168,130	-	100,000	-	1,268,130
Improvement Projects	580,004	747,752	-	62,072	1,529,844
Infrastructure Replacement	-	-	-	-	7,510,194
Nonmajor Governmental Funds	3,494,273	-	-	12,100	7,622,797
Water Sewer Utility	-	-	-	89,519	2,415,791
Ice Center	-	-	-	-	1,417,755
Nonmajor Enterprise Funds	-	-	-	23,861	280,758
Internal Service Funds	-	-	-	76	390,688
Total Transfers	<u>\$ 5,244,326</u>	<u>\$ 747,752</u>	<u>\$ 100,000</u>	<u>\$ 373,128</u>	<u>\$ 25,423,000</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 7: CONTINGENCIES AND COMMITMENTS

Federal and State Funding

Amounts recorded or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of claims which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

General Litigation

In the opinion of management, there are no potential claims against the City which would materially affect the financial statements of the City.

Tax Increment Districts

The City's tax increment districts are subject to review by the Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

Pay-As-You-Go Tax Increment Notes

The City has development agreements with private developers for a property in the City's Tax Increment Districts. As part of the agreements, the City has agreed to reimburse the developers for certain costs through pay-as-you-go tax increment notes. The notes provide for the payment of principal equal to the developers' costs, plus interest at rates ranging from 6.0% to 8.5%. Payments of the notes will be made at the lesser of the scheduled note payments or the accrual net tax increment received during the period specified in the agreement. The note will be cancelled at the end of the agreement term, whether it has been fully repaid or not. The outstanding principal balance of these notes as of December 31, 2015 is \$2,945,821. These notes are not included in the City's long-term debt, because repayment is required only to the extent sufficient tax increments are received. The City's position is that this is an obligation to assign future and uncertain revenue sources and, as such, is not actual debt in substance.

Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue, Housing Revenue, and Health Facilities Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial, commercial, housing, and health facilities deemed to be in the public's interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2015, there were 19 series of Industrial Revenue, Housing Revenue, and Health Revenue Bonds outstanding with an aggregate principal amount payable of approximately \$71.2 million.

Encumbrances

The encumbrances summarized below have been reported as assigned fund balance within the General Fund as of December 31, 2015. The purchase orders remain open for future services related to active construction projects.

	<u>General</u>
Repair and maintenance (PO)	\$ 84,948
Supplies and services (PO)	<u>60,196</u>
Total	<u>\$ 145,144</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 8: RISK MANAGEMENT

The City is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other cities throughout Minnesota to form the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool currently operating as a common risk management and insurance program for member cities as this is more economically justifiable than obtaining insurance on its own.

The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of reserved amounts for each insured event. The LMCIT allows for the pool to make additional assessments to make the pool self-sustaining. Current state statutes (Minnesota Statute subd. 466.04) provide limits of liability for the City. These limits are that the combination of defense expense and indemnification expense shall not exceed \$500,000 in the case of one claimant or \$1,500,000 for any number of claims arising out of a single occurrence.

The City has established an Internal Service Fund, called the Risk Management Fund, to account for the self-insurance programs. Fund revenues are primarily charges to other funds and investment earnings.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Settlements have not exceeded coverage for each of the past three fiscal years.

Changes in the balances of workers compensation claims liabilities during the past two years ended December 31 are as follows:

	<u>2014</u>	<u>2015</u>
Liability at beginning of year	\$ 587,738	\$ 395,134
Incurred claims and changes in estimates	(61,844)	130,831
Claims paid	<u>(130,760)</u>	<u>(141,483)</u>
Liability at end of year	<u>\$ 395,134</u>	<u>\$ 384,482</u>

Changes in the balances of dental claims liabilities during the past two years ended December 31 are as follows:

	<u>2014</u>	<u>2015</u>
Liability at beginning of year	\$ 56,848	\$ 55,022
Incurred claims and changes in estimates	211,039	203,638
Claims paid	<u>(212,865)</u>	<u>(205,239)</u>
Liability at end of year	<u>\$ 55,022</u>	<u>\$ 53,421</u>

Note 9: RETIREMENT PLANS

DEFINED BENEFIT PENSION PLANS – STATEWIDE

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the PERA. PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

1. General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to the PERA.

B. Benefits Provided

The PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the State Legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for the PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

2. PEPFF Benefits

Benefits for PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after 10 years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years up to 100 percent after 20 years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Note 9: RETIREMENT PLANS – CONTINUED

C. Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

1. GERS Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in calendar year 2015. The City was required to contribute 7.50 percent for Coordinated Plan members in calendar year 2015. The City's contributions to the GERS for the year ended December 31, 2015 were \$867,352. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2015. The City was required to contribute 16.20 percent of pay for PEPFF members in calendar year 2015. The City's regular contributions to the PEPFF for the year ended December 31, 2015 were \$1,059,442. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. GERS Pension Costs

At December 31, 2015, the City reported a liability of \$9,950,436 for its proportionate share of the GERS's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2015, the City's proportionate share was 0.19 percent, which was a decrease of 0.03 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of \$999,021 for its proportionate share of the GERS's pension expense.

At December 31, 2015, the City reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ —	\$ 501,671
Differences between projected and actual investment earnings	941,962	—
Changes in proportion	—	972,382
Contributions paid to the PERA subsequent to the measurement date	441,865	—
Total	<u>\$ 1,383,827</u>	<u>\$ 1,474,053</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 9: RETIREMENT PLANS – CONTINUED

\$441,865 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2016	\$ (255,861)
2017	\$ (255,861)
2018	\$ (255,861)
2019	\$ 235,492

2. PEPFF Pension Costs

At December 31, 2015, the City reported a liability of \$7,965,000 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2015, the City's proportion was 0.70 percent, which was an increase of 0.01 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of \$1,380,537 for its proportionate share of the PEPFF's pension expense. The City also recognized \$63,090 for the year ended December 31, 2015, as revenue for its proportionate share of the state of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the state of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

At December 31, 2015, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ —	\$ 1,291,663
Differences between projected and actual investment earnings	1,387,770	—
Changes in proportion	45,002	—
Contributions paid to the PERA subsequent to the measurement date	<u>533,951</u>	<u>—</u>
Total	<u>\$ 1,966,723</u>	<u>\$ 1,291,663</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 9: RETIREMENT PLANS – CONTINUED

\$533,951 reported as deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2016	\$ 97,610
2017	\$ 97,610
2018	\$ 97,610
2019	\$ 97,610
2020	\$ (249,331)

E. Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Active member payroll growth	3.50% per year
Investment rate of return	7.90%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilities were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1 percent effective every January 1st until 2034, then 2.5 percent for GERP and PEPFF.

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the GERP was for the period July 1, 2004 through June 30, 2008, with an update of economic assumptions in 2014. The experience study for the PEPFF was for the period July 1, 2004 through June 30, 2009.

There were no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.9 percent. The State Board of Investment, which manages the investments of the PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	45%	5.50%
International stocks	15%	6.00%
Bonds	18%	1.45%
Alternative assets	20%	6.40%
Cash	2%	0.50%

Note 9: RETIREMENT PLANS – CONTINUED

F. Discount Rate

The discount rate used to measure the total pension liability was 7.9 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.9%)	Discount Rate (7.9%)	1% Increase in Discount Rate (8.9%)
The City’s proportionate share of the GERF net pension liability	\$ 15,645,623	\$ 9,950,436	\$ 5,247,087
The City’s proportionate share of the PEPPF net pension liability	\$ 15,523,869	\$ 7,965,000	\$ 1,720,058

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the PERA website at www.mnpera.org

DEFINED CONTRIBUTION PLAN – STATEWIDE

Seven council members of the City of Plymouth are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official’s employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employee contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, the PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (0.0025) of the assets in each member’s account annually.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 9: RETIREMENT PLANS – CONTINUED

Total contributions made by the City for the last three fiscal years were:

For the Year Ended December 31,	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
2015	\$ 3,190	\$ 3,190	5%	5%	5%
2014	\$ 3,490	\$ 3,490	5%	5%	5%
2013	\$ 3,872	\$ 3,872	5%	5%	5%

PLYMOUTH FIREFIGHTERS’ RELIEF ASSOCIATION RETIREMENT PLAN - SINGLE EMPLOYER

A. Plan Description

All members of the City of Plymouth Fire Department (the Department) are covered by a defined benefit plan administered by the Plymouth Firefighters’ Relief Association (the Association). As of December 31, 2015, the plan covered 89 active firefighters and 15 vested terminated firefighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota Statute, Chapter 69.

The Association maintains a separate Special Fund to accumulate assets to fund the retirement benefits earned by the Department’s membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter’s Relief Association Financing Guidelines Act of 1971 (Chapter 261 as amended by Chapter 509 of Minnesota Statutes 1980). Funds are also derived from investment income.

B. Benefits Provided

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as described by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member’s service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

C. Contributions

Minnesota Statutes, Chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings, and, if necessary, employer contributions as specified in Minnesota Statutes and voluntary city contributions (if applicable). The state of Minnesota contributed \$480,863 in fire state aid to the plan on behalf of the Department for the year ended December 31, 2015, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City’s statutorily-required contributions to the plan for the year ended December 31, 2015 were \$0. The City made no voluntary contributions to the plan. Furthermore, the firefighter has no obligation to contribute to the plan.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 9: RETIREMENT PLANS – CONTINUED

D. Pension Costs

At December 31, 2015, the City reported a net pension liability (asset) of (\$3,142,713) for the plan. The net pension liability (asset) was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability (asset) in accordance with GASB Statement No. 68 was determined by applying an actuarial formula to specific census data certified by the Department as of December 31, 2015.

The following table presents the changes in net pension liability (asset) during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning balance – January 1, 2015	\$ 5,323,537	\$ 8,537,791	\$ (3,214,254)
Changes for the year			
Service cost	239,827	–	239,827
Interest on pension liability (asset)	306,924	–	306,924
Contributions (state)	–	480,863	(480,863)
Asset (gain)/loss	–	19,391	(19,391)
Benefit payments	(895,936)	(895,936)	–
Administrative costs	–	(25,044)	25,044
Total net changes	<u>(349,185)</u>	<u>(420,726)</u>	<u>71,541</u>
Ending balance – December 31, 2015	<u>\$ 4,974,352</u>	<u>\$ 8,117,065</u>	<u>\$ (3,142,713)</u>

For the year ended December 31, 2015, the City recognized pension revenue of \$480,863 and pension expense of \$168,666.

At December 31, 2015, the City reported deferred inflows of resources and deferred outflows of resources, related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	<u>\$ 383,738</u>	<u>\$ –</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 9: RETIREMENT PLANS – CONTINUED

Amounts reported as deferred outflows of resources related to the plan will be recognized in pension expense as follows:

2016	\$	95,935
2017	\$	95,935
2018	\$	95,935
2019	\$	95,933

E. Actuarial Assumptions

The total pension liability at December 31, 2015 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement eligibility at 100 percent service pension at age 50 with 20 years of service, early vested retirement at age 50 with 10 years of service vested at 60 percent and increased by 4 percent for each additional year of service up to 20 and eligibility for deferred service pension payable at age 50 with 20 years of service

Inflation rate	2.75% per year
Investment rate of return	6.00%
20 year municipal bond yield	3.57%

There were no changes in actuarial assumptions in 2015.

The 6 percent long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan’s target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	40.13 %	5.25 %
International equity	17.62	5.25
Fixed income	37.20	1.75
Cash and equivalents	<u>5.05</u>	0.25
Total	<u>100.00 %</u>	6.00 %

Note 9: RETIREMENT PLANS – CONTINUED

F. Discount Rate

The discount rate used to measure the total pension liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability (Asset) Sensitivity

The following presents the City’s net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	<u>1 Percent Decrease (5.00%)</u>	<u>Current (6.00%)</u>	<u>1 Percent Increase (7.00%)</u>
Net pension liability (asset)	\$ (2,991,056)	\$ (3,142,713)	\$ (3,288,526)

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. This report may be obtained by writing to the Plymouth Firefighters’ Relief Association, P.O. Box 47101, 3400 Plymouth Blvd., Plymouth, MN 55447.

Note 10: OTHER POSTEMPLOYMENT BENEFITS PLAN

A. Plan Description

The City administers a single-employer defined benefit healthcare plan. The City provides medical insurance to eligible retired city employees and beneficiaries through the City’s group health insurance plan, which covers both active and retired employees. Benefit provisions are established through Minnesota Statutes 471.61 and 299A.465, which require public sector employers to provide eligible retirees and beneficiaries continuation in the group health insurance plan at the group plan premium rate. The plan does not issue a publicly available financial report.

B. Funding Policy

The contribution requirements of plan members and the City are established by State Statutes and the City Council. Eligible retired city employees and beneficiaries contribute 100% of the group health insurance plan premium. For fiscal year 2015, the City contributed \$133,070.

C. Annual OPEB Cost and Net OPEB Obligation

The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation to the plan:

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 10: OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

Annual Required Contribution	\$ 381,059
Interest on Net OPEB Obligation	51,548
Adjustment to Annual Required Contribution	<u>(77,590)</u>
Annual OPEB Cost	355,017
Contributions made	<u>(133,070)</u>
Increase in Net OPEB Obligation	221,947
Net OPEB Obligation beginning of year	<u>1,288,699</u>
Net OPEB Obligation end of year	<u><u>\$ 1,510,646</u></u>

The City's annual OPEB cost, contribution, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended December 31:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$355,017	\$133,070	37.5%	\$1,510,646
2014	\$345,624	\$192,490	55.7%	\$1,288,699
2013	\$349,546	\$159,209	45.5%	\$1,135,565

D. Funding Status and Funding Progress

As of January 1, 2015, the actuarial accrued liability for benefits was \$3,146,617 all of which was unfunded and represents the implicit rate subsidies for eligible retirees and beneficiaries. The covered payroll (annual payroll of active employees covered by the plan) was \$17,432,097, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 18.1%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

For the January 1, 2015 actuarial valuation, the projected unit credit with thirty year amortization of the unfunded liability method was used. The actuarial assumptions included a discount rate of 4.0% (net of investment expenses), an inflation rate of 2.5%, and an annual healthcare cost trend rate of 7.5% initially, reduced to an ultimate rate of 5.0% in five years. The UAAL is being amortized on a level dollar basis over a closed period. The remaining amortization period at December 31, 2015 was 30 years.

Note 10: OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

The following actuarial assumptions were included:

Retirement age of active employees – Based on the retirement rates used in the PERA plan of which the employee is a participant and is adjusted for OPEB purposes.

Marital Status – Marital status of plan members at the calculation date was assumed to continue throughout retirement at a assumed factor of 85% for males and 65% for females.

Mortality – Life expectancies were based on the RP2014 mortality tables from the Society of Actuaries.

F. Plan Members

The following summarizes the participant data at January 1, 2015, the date of the latest actuarial valuation:

Active participants	235
Participants/surviving Spouses receiving benefits	13
Spouses of Retired Participants receiving benefit	<u>4</u>
Total participants	<u>252</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2015

Note 11: FUND BALANCES

The following is a breakdown of equity components of governmental funds which are defined earlier in the report.

A. Classifications

	Primary Government						
	Special Revenue		Capital Projects			Nonmajor Governmental	
	General Fund	Transit	General Capital Projects	Improvement Projects	Infrastructure Replacement	Funds	Total
Nonspendable							
Prepaid items	\$ 68,454	\$ 3,709	\$ -	\$ -	\$ -	\$ 2,077	\$ 74,240
Cemetery Perpetual Care - Principal	-	-	-	-	-	45,860	45,860
Inventory	60	-	-	-	-	2,356	2,416
Total nonspendable	68,514	3,709	-	-	-	50,293	122,516
Restricted							
Transit Services	-	6,392,612	-	-	-	-	6,392,612
Lawful Gambling	-	-	-	-	-	13,593	13,593
Debt Service	-	-	-	-	-	2,212,948	2,212,948
Housing Projects	-	-	-	-	-	62,535	62,535
Highway/Street Improvements	-	-	-	-	-	1,029,538	1,029,538
Park Construction	-	-	-	-	-	6,699,952	6,699,952
Tax Increment Financing	-	-	-	-	-	2,509,772	2,509,772
Cemetery Perpetual Care	-	-	-	-	-	143,604	143,604
Total restricted	-	6,392,612	-	-	-	12,671,942	19,064,554
Assigned							
Infrastructure Improvements	-	-	-	-	15,457,238	-	15,457,238
Recreation Programming	-	-	-	-	-	435,201	435,201
Park Improvements	-	-	-	-	-	3,422,721	3,422,721
Cemetery Maintenance	-	-	-	-	-	146,702	146,702
Other capital projects & improvements	180,144	-	10,240,952	8,154,296	-	11,057,832	29,633,224
Total assigned	180,144	-	10,240,952	8,154,296	15,457,238	15,062,456	49,095,086
Unassigned	14,349,526	-	-	-	-	-	14,349,526
Total	<u>\$ 14,598,184</u>	<u>\$ 6,396,321</u>	<u>\$ 10,240,952</u>	<u>\$ 8,154,296</u>	<u>\$ 15,457,238</u>	<u>\$ 27,784,691</u>	<u>\$82,631,682</u>

B. Minimum Unassigned Fund Balance Policy

The City has formally adopted a fund balance policy regarding the minimum fund balance for the General Fund. The policy establishes a minimum General Fund balance of 40% percent of the subsequent year projected expenditures and transfers out. At December 31, 2015, the fund balance of the General Fund was 40% percent of the subsequent year's annual projected expenditures and transfers out.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PLYMOUTH, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2015

Schedule of City's Proportionate Share of Net Pension Liability
Public Employees General Employees Retirement Fund

<u>City Fiscal Year End Date</u>	<u>PERA Fiscal Year End Date (Measurement Date)</u>	<u>City's Proportion of the Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability (a)</u>	<u>City's Covered Payroll (b)</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the total Pension Liability</u>
12/31/2015	6/30/2015	0.1920%	\$ 9,950,436	\$ 11,283,040	88.19%	78.20%

Schedule of Employer Contributions
Public Employees General Employees Retirement Fund

<u>City Fiscal Year End Date</u>	<u>PERA Fiscal Year End Date (Measurement Date)</u>	<u>Statutorily Required Contributions (a)</u>	<u>Contributions in Relation to the Statutorily Required Contributions (b)</u>	<u>Contribution Deficiency (Excess) (a-b)</u>	<u>Covered Payroll (d)</u>	<u>Contributions as a Percentage of Covered Payroll (b/d)</u>
12/31/2015	6/30/2015	\$ 867,352	\$ 867,352	\$ -	\$ 11,564,653	7.50%

Schedule of City's Proportionate Share of Net Pension Liability
Public Employees Police and Fire Fund

<u>City Fiscal Year End Date</u>	<u>PERA Fiscal Year End Date (Measurement Date)</u>	<u>City's Proportion of the Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability (a)</u>	<u>City's Covered Payroll (b)</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the total Pension Liability</u>
12/31/2015	6/30/2015	0.7010%	\$ 7,965,000	\$ 6,414,783	124.17%	86.60%

Schedule of Employer Contributions
Public Employees Police and Fire Fund

<u>City Fiscal Year End Date</u>	<u>PERA Fiscal Year End Date (Measurement Date)</u>	<u>Statutorily Required Contributions (a)</u>	<u>Contributions in Relation to the Statutorily Required Contributions (b)</u>	<u>Contribution Deficiency (Excess) (a-b)</u>	<u>Covered Payroll (d)</u>	<u>Contributions as a Percentage of Covered Payroll (b/d)</u>
12/31/2015	6/30/2015	\$ 1,059,442	\$ 1,059,442	\$ -	\$ 6,541,475	16.20%

Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This information is not available for previous fiscal years.

CITY OF PLYMOUTH, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2015

Schedule of Changes in the Plymouth Firefighters' Relief Association's Net Pension Asset and Related Ratios
Required Supplementary Information (Last Ten Years*)

	<u>December 31, 2015</u>
Total Pension Liability	
Service cost	\$ 239,827
Interest	306,924
Benefit payments	<u>(895,936)</u>
Net change in total pension liability	(349,185)
Total pension liability - beginning	<u>5,323,537</u>
Total pension liability - ending	<u><u>\$ 4,974,352</u></u>
Plan Fiduciary Net Position	
Contributions (state and local)	\$ 480,863
Net investment income	19,391
Benefit payments	(895,936)
Administrative costs	<u>(25,044)</u>
Net change in plan fiduciary net position	(420,726)
Total pension liability - beginning	<u>8,537,791</u>
Total pension liability - ending	<u><u>\$ 8,117,065</u></u>
Net pension liability/(asset) - ending	<u><u>\$ (3,142,713)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	163.18%

Schedule of Employer Contributions - Plymouth Firefighters' Relief Association
Required Supplementary Information (Last Ten Years*)

City Fiscal Year End Date	Actuarial Determined Contributions (a)	Contributions in Relation to the Actuarial Determined Contributions (b)	Contribution Deficiency (Excess) (a-b)
12/31/15	\$ 108,897	\$ 480,863	\$ (371,966)

* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.

Note: This is a volunteer firefighter's relief association. There is no percentage of payroll to calculate.

CITY OF PLYMOUTH, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2015

Other Postemployment Benefits Plan
Schedule of Funding Progress **

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
January 1, 2015	\$ 3,146,617	\$ -	\$ 3,146,617	0.0%	\$ 17,432,097	18.1%
January 1, 2013	\$ 3,008,511	\$ -	\$ 3,008,511	0.0%	\$ 16,645,698	18.1%
January 1, 2011	\$ 3,072,106	\$ -	\$ 3,072,106	0.0%	\$ 16,110,899	19.1%

** Refer to Note 10 in the Notes to the basic financial statement for additional details regarding this Schedule of Funding Progress.

This page intentionally left blank



**NONMAJOR GOVERNMENTAL COMBINING
AND INDIVIDUAL FUNDS**

**CITY OF PLYMOUTH, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)**

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Totals	
					2015	2014
ASSETS						
Cash and investments	\$ 1,005,692	\$ 2,997,594	\$ 23,130,927	\$ 188,821	\$ 27,323,034	\$ 22,260,171
Restricted cash and investments	-	-	-	-	-	4,677,313
Accounts receivable	20,422	-	-	-	20,422	21,884
Notes receivable	1,368,294	-	836,000	-	2,204,294	2,275,494
Taxes receivable	5,056	11,190	7,102	-	23,348	23,308
Special assessments receivable	-	2,576	33,988	-	36,564	35,113
Accrued interest receivable	73,651	-	139,631	643	213,925	189,025
Due from other governments	51,628	-	-	-	51,628	65,261
Inventory	2,356	-	-	-	2,356	-
Prepaid items	2,077	-	-	-	2,077	4,267
Advances to other funds	-	-	2,803,172	-	2,803,172	1,948,299
TOTAL ASSETS	\$ 2,529,176	\$ 3,011,360	\$ 26,950,820	\$ 189,464	\$ 32,680,820	\$ 31,500,135
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 18,116	\$ -	\$ 289,469	\$ -	\$ 307,585	\$ 230,703
Accrued salaries and benefits payable	28,184	-	-	-	28,184	23,587
Deposits payable	2,000	-	-	-	2,000	1,000
Due to other funds	-	-	-	-	-	3,651
Due to other governments	18,877	-	6,693	-	25,570	20,507
Advances from other funds	-	790,202	1,106,984	-	1,897,186	1,304,497
Accrued interest on advances	-	-	109	-	109	-
Unearned revenue	242,359	-	10,305	-	252,664	215,194
Total liabilities	309,536	790,202	1,413,560	-	2,513,298	1,799,139
Deferred inflows of resources:						
Unavailable revenue	1,442,189	8,210	932,432	-	2,382,831	2,451,012
State aid received for subsequent years	-	-	-	-	-	2,230,078
Total deferred inflows of resources	1,442,189	8,210	932,432	-	2,382,831	4,681,090
Fund balances:						
Nonspendable	4,433	-	-	45,860	50,293	50,127
Restricted	76,128	2,212,948	10,239,262	143,604	12,671,942	15,261,117
Assigned	696,890	-	14,365,566	-	15,062,456	9,708,662
Total fund balances	777,451	2,212,948	24,604,828	189,464	27,784,691	25,019,906
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,529,176	\$ 3,011,360	\$ 26,950,820	\$ 189,464	\$ 32,680,820	\$ 31,500,135

**CITY OF PLYMOUTH, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)**

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Totals	
					2015	2014
REVENUES:						
Property taxes	\$ 586,527	\$ 1,611,671	\$ 1,659,941	\$ -	\$ 3,858,139	\$ 3,559,816
Special assessments	-	-	22,557	-	22,557	64,815
Intergovernmental	481,391	37	2,378,655	-	2,860,083	6,925,463
Charges for services	1,237,376	-	19,741	-	1,257,117	1,247,439
Contributions	50,087	-	3,339,298	-	3,389,385	1,181,730
Investment earnings (loss)	16,214	12	371,332	2,766	390,324	1,007,815
Loan repayments	7,836	-	-	-	7,836	7,605
Other revenues	10	-	-	-	10	3,224
Total revenues	<u>2,379,441</u>	<u>1,611,720</u>	<u>7,791,524</u>	<u>2,766</u>	<u>11,785,451</u>	<u>13,997,907</u>
EXPENDITURES:						
Current:						
General government	6	-	1,795	-	1,801	-
Economic development	29	-	690,292	-	690,321	663,648
Parks and recreation	1,739,500	-	2,294	-	1,741,794	1,776,273
Public service	495,799	-	-	-	495,799	266,555
Public works	-	-	509	42	551	-
Interest on interfund advances	-	16,700	39,135	-	55,835	45,009
Debt service:						
Principal retirement	-	1,810,000	-	-	1,810,000	1,345,000
Interest and fiscal charges	-	601,488	-	-	601,488	646,318
Bond issuance costs	-	62,939	-	-	62,939	-
Capital outlay	23,074	-	-	-	23,074	24,400
Total expenditures	<u>2,258,408</u>	<u>2,491,127</u>	<u>734,025</u>	<u>42</u>	<u>5,483,602</u>	<u>4,767,203</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>121,033</u>	<u>(879,407)</u>	<u>7,057,499</u>	<u>2,724</u>	<u>6,301,849</u>	<u>9,230,704</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	38,665	81,850	5,123,811	-	5,244,326	1,150,268
Transfers out	(69,446)	(3,353,469)	(4,199,882)	-	(7,622,797)	(17,447,252)
General obligation bonds issued	-	3,295,000	-	-	3,295,000	-
Premium on bonds issued	-	121,407	-	-	121,407	-
Payment of refunded bonds	-	(4,575,000)	-	-	(4,575,000)	-
Total other financing sources (uses)	<u>(30,781)</u>	<u>(4,430,212)</u>	<u>923,929</u>	<u>-</u>	<u>(3,537,064)</u>	<u>(16,296,984)</u>
NET CHANGE IN FUND BALANCES	<u>90,252</u>	<u>(5,309,619)</u>	<u>7,981,428</u>	<u>2,724</u>	<u>2,764,785</u>	<u>(7,066,280)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>687,199</u>	<u>7,522,567</u>	<u>16,623,400</u>	<u>186,740</u>	<u>25,019,906</u>	<u>32,086,186</u>
FUND BALANCES AT END OF YEAR	<u>\$ 777,451</u>	<u>\$ 2,212,948</u>	<u>\$ 24,604,828</u>	<u>\$ 189,464</u>	<u>\$ 27,784,691</u>	<u>\$ 25,019,906</u>



SPECIAL REVENUE FUNDS – NONMAJOR

Recreation Fund - Transfers are received from the General Fund and revenue from participants in the City's recreational programs. These revenues are used to finance the recreational programs offered to the citizens of Plymouth and other participants.

Parkers Lake Cemetery Maintenance Fund - Revenues derived from the sale of cemetery lots are receipted into this fund and are used to finance cemetery maintenance costs.

Community Development Fund - This fund is used to account for funds to assist with financing the costs of community development functions, such as comprehensive plan updates, land use maps, and other development activities.

Economic Development Fund - This fund was established to account for activities to encourage economic development by supplementing conventional financing sources available to existing and new businesses.

Community Development Block Grant Fund - This fund receives and expends the City's allocation of the Federal Community Development Block Grant Program funds. The primary beneficiaries from the activities of this fund are persons of low and moderate income.

Lawful Gambling Fund - The Plymouth Lions manage lawful gambling operations in the City of Plymouth. The City receives fees and makes expenditures in accordance with state statutes.

This page intentionally left blank

**CITY OF PLYMOUTH, MINNESOTA
SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)**

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Community Development Block Grant</u>
<u>ASSETS</u>					
Cash and investments	\$ 687,662	\$ 146,184	\$ 55,550	\$ 79,577	\$ 31,350
Accounts receivable	12,321	20	-	-	-
Notes receivable	-	-	225,000	129,437	1,013,857
Taxes receivable	4,928	-	-	-	128
Accrued interest receivable	2,413	498	40,042	271	30,284
Due from other governments	5,410	-	-	-	46,218
Inventory	2,356	-	-	-	-
Prepaid items	1,552	-	-	-	525
TOTAL ASSETS	<u>\$ 716,642</u>	<u>\$ 146,702</u>	<u>\$ 320,592</u>	<u>\$ 209,285</u>	<u>\$ 1,122,362</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 4,726	\$ -	\$ -	\$ -	\$ 13,390
Accrued salaries and benefits payable	26,402	-	-	-	1,782
Deposits payable	2,000	-	-	-	-
Due to other governments	18,877	-	-	-	-
Unearned revenue	242,359	-	-	-	-
Total liabilities	<u>294,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,172</u>
Deferred inflows of resources:					
Unavailable revenue	<u>3,769</u>	<u>-</u>	<u>264,853</u>	<u>129,437</u>	<u>1,044,130</u>
Fund balances:					
Nonspendable	3,908	-	-	-	525
Restricted	-	-	-	-	62,535
Assigned	414,601	146,702	55,739	79,848	-
Total fund balances	<u>418,509</u>	<u>146,702</u>	<u>55,739</u>	<u>79,848</u>	<u>63,060</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 716,642</u>	<u>\$ 146,702</u>	<u>\$ 320,592</u>	<u>\$ 209,285</u>	<u>\$ 1,122,362</u>

Lawful Gambling	Totals	
	2015	2014
\$ 5,369	\$ 1,005,692	\$ 863,890
8,081	20,422	21,884
-	1,368,294	1,439,494
-	5,056	5,771
143	73,651	69,292
-	51,628	65,261
-	2,356	-
-	2,077	4,267
<u>\$ 13,593</u>	<u>\$ 2,529,176</u>	<u>\$ 2,469,859</u>
\$ -	\$ 18,116	\$ 27,554
-	28,184	23,587
-	2,000	1,000
-	18,877	14,439
-	242,359	205,189
<u>-</u>	<u>309,536</u>	<u>271,769</u>
<u>-</u>	<u>1,442,189</u>	<u>1,510,891</u>
-	4,433	4,267
13,593	76,128	71,875
-	696,890	611,057
<u>13,593</u>	<u>777,451</u>	<u>687,199</u>
<u>\$ 13,593</u>	<u>\$ 2,529,176</u>	<u>\$ 2,469,859</u>

CITY OF PLYMOUTH, MINNESOTA
SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Community Development Block Grant</u>
REVENUES:					
Property taxes	\$ 572,986	\$ -	\$ -	\$ -	\$ 13,541
Intergovernmental	17	-	-	-	481,374
Charges for services	1,237,261	115	-	-	-
Contributions	13,500	-	-	-	-
Investment earnings	7,326	2,209	813	5,029	479
Loan repayments	-	-	-	7,836	-
Other revenues	10	-	-	-	-
Total revenues	<u>1,831,100</u>	<u>2,324</u>	<u>813</u>	<u>12,865</u>	<u>495,394</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Economic development	-	-	12	17	-
Parks and recreation	1,739,500	-	-	-	-
Public service	-	4,990	-	-	490,809
Capital outlay	23,074	-	-	-	-
Total expenditures	<u>1,762,574</u>	<u>4,990</u>	<u>12</u>	<u>17</u>	<u>490,809</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>68,526</u>	<u>(2,666)</u>	<u>801</u>	<u>12,848</u>	<u>4,585</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	38,665	-	-	-	-
Transfers out	(32,700)	-	-	-	-
Total other financing sources (uses)	<u>5,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	74,491	(2,666)	801	12,848	4,585
FUND BALANCES AT BEGINNING OF YEAR	<u>344,018</u>	<u>149,368</u>	<u>54,938</u>	<u>67,000</u>	<u>58,475</u>
FUND BALANCES AT END OF YEAR	<u>\$ 418,509</u>	<u>\$ 146,702</u>	<u>\$ 55,739</u>	<u>\$ 79,848</u>	<u>\$ 63,060</u>

Lawful Gambling	Totals	
	2015	2014
\$ -	\$ 586,527	\$ 572,679
-	481,391	254,230
-	1,237,376	1,232,593
36,587	50,087	46,785
358	16,214	30,857
-	7,836	7,605
-	10	3,224
<u>36,945</u>	<u>2,379,441</u>	<u>2,147,973</u>
6	6	-
-	29	-
-	1,739,500	1,765,523
-	495,799	266,555
-	23,074	24,400
<u>6</u>	<u>2,258,408</u>	<u>2,056,478</u>
<u>36,939</u>	<u>121,033</u>	<u>91,495</u>
-	38,665	35,256
<u>(36,746)</u>	<u>(69,446)</u>	<u>(66,256)</u>
<u>(36,746)</u>	<u>(30,781)</u>	<u>(31,000)</u>
193	90,252	60,495
<u>13,400</u>	<u>687,199</u>	<u>626,704</u>
<u>\$ 13,593</u>	<u>\$ 777,451</u>	<u>\$ 687,199</u>

**CITY OF PLYMOUTH, MINNESOTA
RECREATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)**

	2015		2014	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Property taxes	\$ 571,989	\$ 572,986	\$ 997	\$ 559,378
Intergovernmental	-	17	17	13
Charges for services	1,192,575	1,237,261	44,686	1,232,403
Contributions	-	13,500	13,500	11,700
Investment earnings	8,000	7,326	(674)	16,466
Other revenues	1,300	10	(1,290)	3,224
Total revenues	<u>1,773,864</u>	<u>1,831,100</u>	<u>57,236</u>	<u>1,823,184</u>
EXPENDITURES:				
Current:				
Parks and recreation:				
Personal services	1,030,507	1,005,812	24,695	906,831
Materials and supplies	64,035	61,701	2,334	58,382
Contractual services	678,008	671,987	6,021	800,310
Capital outlay	23,000	23,074	(74)	24,400
Total expenditures	<u>1,795,550</u>	<u>1,762,574</u>	<u>32,976</u>	<u>1,789,923</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,686)</u>	<u>68,526</u>	<u>90,212</u>	<u>33,261</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	42,286	38,665	(3,621)	35,256
Transfers out	(20,600)	(32,700)	(12,100)	(31,000)
Total other financing sources (uses)	<u>21,686</u>	<u>5,965</u>	<u>(15,721)</u>	<u>4,256</u>
NET CHANGE IN FUND BALANCE	-	74,491	74,491	37,517
FUND BALANCE AT BEGINNING OF YEAR	<u>344,018</u>	<u>344,018</u>	<u>-</u>	<u>306,501</u>
FUND BALANCE AT END OF YEAR	<u>\$ 344,018</u>	<u>\$ 418,509</u>	<u>\$ 74,491</u>	<u>\$ 344,018</u>

**CITY OF PLYMOUTH, MINNESOTA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)**

	2015			2014
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Property taxes	\$ 13,500	\$ 13,541	\$ 41	\$ 13,301
Intergovernmental	302,422	481,374	178,952	254,217
Investment earnings	500	479	(21)	1,107
Total revenues	<u>316,422</u>	<u>495,394</u>	<u>178,972</u>	<u>268,625</u>
EXPENDITURES:				
Current:				
Public service:				
Personal services	58,705	58,228	477	52,762
Materials and supplies	300	506	(206)	548
Contractual services	257,417	432,075	(174,658)	209,795
Total expenditures	<u>316,422</u>	<u>490,809</u>	<u>(174,387)</u>	<u>263,105</u>
NET CHANGE IN FUND BALANCE	-	4,585	4,585	5,520
FUND BALANCE AT BEGINNING OF YEAR	<u>58,475</u>	<u>58,475</u>	-	<u>52,955</u>
FUND BALANCE AT END OF YEAR	<u>\$ 58,475</u>	<u>\$ 63,060</u>	<u>\$ 4,585</u>	<u>\$ 58,475</u>

This page intentionally left blank



DEBT SERVICE FUNDS – NONMAJOR

General Obligation Bonds Fund - This fund is used to account for the accumulation of resources for payment of general obligation bonds or other general indebtedness and interest thereon.

Tax Increment Bonds Fund - This fund is used to account for the accumulation of resources for payment of tax increment general obligation bonds and interest thereon. These bonds were sold to finance the construction of public collector and distributor roadway improvements, drainage improvements, and other public development costs in the City.

Special Assessment Bonds Fund - This fund is used to account for the accumulation of resources for the payment of special assessment bonds. These bonds were sold to finance certain public improvements such as residential streets, sidewalks, storm sewers, or the provision of services, which are to be paid for wholly or in part from special assessments, levied against benefited property.

**CITY OF PLYMOUTH, MINNESOTA
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)**

	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Totals	
				2015	2014
<u>ASSETS</u>					
Cash and investments	\$ 1,878,653	\$ 759,649	\$ 359,292	\$ 2,997,594	\$ 2,845,342
Restricted cash and investments	-	-	-	-	4,677,313
Taxes receivable	10,208	2,267	(1,285)	11,190	8,198
Special assessments receivable	-	-	2,576	2,576	2,576
TOTAL ASSETS	\$ 1,888,861	\$ 761,916	\$ 360,583	\$ 3,011,360	\$ 7,533,429
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,391
Advances from other funds	-	790,202	-	790,202	-
Total liabilities	-	790,202	-	790,202	1,391
Deferred inflows of resources:					
Unavailable revenue	6,919	-	1,291	8,210	9,471
Fund balances (deficits):					
Restricted	1,881,942	(28,286)	359,292	2,212,948	7,522,567
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,888,861	\$ 761,916	\$ 360,583	\$ 3,011,360	\$ 7,533,429

CITY OF PLYMOUTH, MINNESOTA
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)

	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Totals	
				2015	2014
REVENUES:					
Property taxes	\$ 1,229,649	\$ 382,022	\$ -	\$ 1,611,671	\$ 1,460,773
Special assessments	-	-	-	-	14,604
Intergovernmental	37	-	-	37	25
Investment earnings	10	-	2	12	54,266
Total revenues	<u>1,229,696</u>	<u>382,022</u>	<u>2</u>	<u>1,611,720</u>	<u>1,529,668</u>
EXPENDITURES:					
Current:					
Interest on interfund advances	-	16,700	-	16,700	-
Debt service:					
Principal retirement	730,000	1,080,000	-	1,810,000	1,345,000
Interest and fiscal charges	427,952	88,382	85,154	601,488	646,318
Bond issuance costs	62,939	-	-	62,939	-
Total expenditures	<u>1,220,891</u>	<u>1,185,082</u>	<u>85,154</u>	<u>2,491,127</u>	<u>1,991,318</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,805</u>	<u>(803,060)</u>	<u>(85,152)</u>	<u>(879,407)</u>	<u>(461,650)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	81,850	-	81,850	390,324
Transfers out	(3,353,469)	-	-	(3,353,469)	(172,961)
General obligation bonds issued	3,295,000	-	-	3,295,000	-
Premium on bonds issued	121,407	-	-	121,407	-
Payment of refunded bonds	(4,575,000)	-	-	(4,575,000)	-
Total other financing sources (uses)	<u>(4,512,062)</u>	<u>81,850</u>	<u>-</u>	<u>(4,430,212)</u>	<u>217,363</u>
NET CHANGE IN FUND BALANCES	<u>(4,503,257)</u>	<u>(721,210)</u>	<u>(85,152)</u>	<u>(5,309,619)</u>	<u>(244,287)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>6,385,199</u>	<u>692,924</u>	<u>444,444</u>	<u>7,522,567</u>	<u>7,766,854</u>
FUND BALANCES (DEFICITS) AT END OF YEAR	<u>\$ 1,881,942</u>	<u>\$ (28,286)</u>	<u>\$ 359,292</u>	<u>\$ 2,212,948</u>	<u>\$ 7,522,567</u>



CAPITAL PROJECTS FUNDS – NONMAJOR

Minnesota State Aid Fund - This fund is used to account for the City's allocation of the state collected highway user tax. The allocation is based on population and need for construction of designated state aid streets in the City.

Community Improvement Fund - This fund is used to account for expenditures, which may be made only for items of a capital nature. Allowed expenditures are provided for by ordinance. Funds are deposited into this fund from surplus money or special assessment collections that remain after an improvement project has been fully funded and the bonds issued for the project paid.

Park Replacement Fund - This fund is used to account for the accumulation of resources for the major repairs and replacement of the City's park facilities and trails.

Project Administration - Revenues received are a portion of all special assessments, which are levied on benefiting properties, and are used to provide funds for project contingencies and other special projects.

Park Construction Fund - These funds are used to account for the monies received from land developers and are used for the acquisition and development of park land.

Capital Improvement Fund - This fund was established to accumulate resources for capital improvements, such as building construction, without the need to issue bonds.

Tax Increment Projects Fund - This fund is used to account for expenditures incurred in the construction of public collector and distributor roadway improvements, drainage improvements, and other public development costs in the City.

This page intentionally left blank

**CITY OF PLYMOUTH, MINNESOTA
CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)**

	<u>Minnesota State Aid</u>	<u>Community Improvement</u>	<u>Park Replacement</u>	<u>Project Administration</u>	<u>Park Construction</u>
<u>ASSETS</u>					
Cash and investments	\$ 1,025,239	\$ 4,701,635	\$ 4,023,168	\$ 535,463	\$ 6,677,226
Notes receivable	-	-	-	-	-
Taxes receivable	-	-	3,334	-	-
Special assessments receivable	-	33,988	-	-	-
Accrued interest receivable	4,299	16,001	13,612	1,823	22,726
Advances to other funds	-	1,102,825	518,847	-	-
TOTAL ASSETS	<u>\$ 1,029,538</u>	<u>\$ 5,854,449</u>	<u>\$ 4,558,961</u>	<u>\$ 537,286</u>	<u>\$ 6,699,952</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Advances from other funds	-	-	1,102,825	-	-
Accrued interest on advances	-	-	-	-	-
Deferred revenue	-	-	10,305	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,113,130</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue	-	30,948	2,510	-	-
State aid received for subsequent years	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>30,948</u>	<u>2,510</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted	1,029,538	-	-	-	6,699,952
Assigned	-	5,823,501	3,443,321	537,286	-
Total fund balances	<u>1,029,538</u>	<u>5,823,501</u>	<u>3,443,321</u>	<u>537,286</u>	<u>6,699,952</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,029,538</u>	<u>\$ 5,854,449</u>	<u>\$ 4,558,961</u>	<u>\$ 537,286</u>	<u>\$ 6,699,952</u>

Capital Improvement	Tax Increment Projects	Totals	
		2015	2014
\$ 3,367,521	\$ 2,800,675	\$ 23,130,927	\$ 18,364,844
-	836,000	836,000	836,000
3,768	-	7,102	9,339
-	-	33,988	32,537
11,460	69,710	139,631	119,088
1,181,500	-	2,803,172	1,948,299
<u>\$ 4,564,249</u>	<u>\$ 3,706,385</u>	<u>\$ 26,950,820</u>	<u>\$ 21,310,107</u>
\$ -	\$ 289,469	\$ 289,469	\$ 201,758
-	-	-	3,651
-	6,693	6,693	6,068
-	4,159	1,106,984	1,304,497
-	109	109	-
-	-	10,305	10,005
<u>-</u>	<u>300,430</u>	<u>1,413,560</u>	<u>1,525,979</u>
2,791	896,183	932,432	930,650
-	-	-	2,230,078
<u>2,791</u>	<u>896,183</u>	<u>932,432</u>	<u>3,160,728</u>
-	2,509,772	10,239,262	7,525,795
4,561,458	-	14,365,566	9,097,605
<u>4,561,458</u>	<u>2,509,772</u>	<u>24,604,828</u>	<u>16,623,400</u>
<u>\$ 4,564,249</u>	<u>\$ 3,706,385</u>	<u>\$ 26,950,820</u>	<u>\$ 21,310,107</u>

CITY OF PLYMOUTH, MINNESOTA
CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)

	<u>Minnesota State Aid</u>	<u>Community Improvement</u>	<u>Park Replacement</u>	<u>Project Administration</u>	<u>Park Construction</u>
REVENUES:					
Property taxes	\$ -	\$ -	\$ 347,302	\$ -	\$ -
Special assessments	-	22,557	-	-	-
Intergovernmental	2,378,632	-	11	-	-
Charges for services	-	-	19,741	-	-
Contributions	-	-	-	-	3,339,298
Investment earnings	27,320	112,208	84,612	7,849	47,678
Other revenues	-	-	-	-	-
Total revenues	<u>2,405,952</u>	<u>134,765</u>	<u>451,666</u>	<u>7,849</u>	<u>3,386,976</u>
EXPENDITURES:					
Current:					
General government	-	1,103	-	-	-
Economic development	-	-	-	-	-
Parks and recreation	-	-	973	-	1,321
Public works	391	-	-	118	-
Interest on interfund advances	-	-	39,135	-	-
Total expenditures	<u>391</u>	<u>1,103</u>	<u>40,108</u>	<u>118</u>	<u>1,321</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,405,561</u>	<u>133,662</u>	<u>411,558</u>	<u>7,731</u>	<u>3,385,655</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	580,004	-	20,600	-	3,353,469
Transfers out	(1,413,471)	(483,590)	(1,080,348)	-	(1,059,015)
Total other financing sources (uses)	<u>(833,467)</u>	<u>(483,590)</u>	<u>(1,059,748)</u>	<u>-</u>	<u>2,294,454</u>
NET CHANGE IN FUND BALANCES	1,572,094	(349,928)	(648,190)	7,731	5,680,109
FUND BALANCES AT BEGINNING OF YEAR	<u>(542,556)</u>	<u>6,173,429</u>	<u>4,091,511</u>	<u>529,555</u>	<u>1,019,843</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,029,538</u>	<u>\$ 5,823,501</u>	<u>\$ 3,443,321</u>	<u>\$ 537,286</u>	<u>\$ 6,699,952</u>

Capital Improvement	Tax Increment Projects	Totals	
		2015	2014
\$ 411,956	\$ 900,683	\$ 1,659,941	\$ 1,526,364
-	-	22,557	50,211
12	-	2,378,655	6,671,208
-	-	19,741	14,716
-	-	3,339,298	1,134,945
44,875	46,790	371,332	916,867
-	-	-	-
<u>456,843</u>	<u>947,473</u>	<u>7,791,524</u>	<u>10,314,311</u>
692	-	1,795	-
-	690,292	690,292	663,648
-	-	2,294	10,750
-	-	509	-
-	-	39,135	45,009
<u>692</u>	<u>690,292</u>	<u>734,025</u>	<u>719,407</u>
<u>456,151</u>	<u>257,181</u>	<u>7,057,499</u>	<u>9,594,904</u>
1,168,130	1,608	5,123,811	724,688
-	(163,458)	(4,199,882)	(17,208,035)
<u>1,168,130</u>	<u>(161,850)</u>	<u>923,929</u>	<u>(16,483,347)</u>
1,624,281	95,331	7,981,428	(6,888,443)
<u>2,937,177</u>	<u>2,414,441</u>	<u>16,623,400</u>	<u>23,511,843</u>
<u>\$ 4,561,458</u>	<u>\$ 2,509,772</u>	<u>\$ 24,604,828</u>	<u>\$ 16,623,400</u>

This page intentionally left blank



PERMANENT FUNDS – NONMAJOR

Parkers Lake Cemetery Perpetual Care Fund - The Parkers Lake Cemetery Perpetual Care Fund was established to account for funds dedicated to perpetual maintenance of the cemetery; only earnings, and not principal, may be expended for major capital improvements.

**CITY OF PLYMOUTH, MINNESOTA
 PARKERS LAKE CEMETERY PERPETUAL CARE
 PERMANENT FUND
 NONMAJOR GOVERNMENTAL FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Cash and investments	\$ 188,821	\$ 186,095
Accrued interest receivable	643	645
Total Assets	<u>\$ 189,464</u>	<u>\$ 186,740</u>
<u>FUND BALANCES</u>		
Fund balance:		
Nonspendable	\$ 45,860	\$ 45,860
Restricted	143,604	140,880
Total fund balance	<u>\$ 189,464</u>	<u>\$ 186,740</u>

**CITY OF PLYMOUTH, MINNESOTA
 PARKERS LAKE CEMETERY PERPETUAL CARE
 PERMANENT FUND
 NONMAJOR GOVERNMENTAL FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
REVENUES:		
Charges for services	\$ -	\$ 130
Investment earnings	<u>2,766</u>	<u>5,825</u>
Total revenues	<u>2,766</u>	<u>5,955</u>
EXPENDITURES:		
Current:		
Public works	<u>42</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,724	5,955
FUND BALANCE AT BEGINNING OF YEAR	<u>186,740</u>	<u>180,785</u>
FUND BALANCE AT END OF YEAR	<u>\$ 189,464</u>	<u>\$ 186,740</u>



**GENERAL FUND
COMPARATIVE INFORMATION**

**CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2015 AND 2014**

	Totals	
	2015	2014
<u>ASSETS</u>		
Cash and investments	\$ 18,104,236	\$ 16,905,413
Accounts receivable	87,855	96,686
Taxes receivable	218,979	261,904
Special assessments receivable	10,263	12,336
Accrued interest receivable	71,118	70,679
Due from other funds	-	3,651
Due from other governments	296,977	190,608
Inventory	60	-
Prepaid items	68,454	474,273
Advances to other funds	4,159	-
TOTAL ASSETS	<u>\$ 18,862,101</u>	<u>\$ 18,015,550</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 605,166	\$ 459,950
Accrued salaries and benefits payable	736,525	565,929
Deposits payable	1,968,150	2,854,581
Due to other governments	76,851	51,340
Unearned revenue	681,404	420,877
Total liabilities	<u>4,068,096</u>	<u>4,352,677</u>
Deferred inflows of resources:		
Unavailable revenue	<u>195,821</u>	<u>259,577</u>
Fund balances:		
Nonspendable	68,514	474,273
Assigned	180,144	689,028
Unassigned	14,349,526	12,239,995
Total fund balance	<u>14,598,184</u>	<u>13,403,296</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 18,862,101</u>	<u>\$ 18,015,550</u>

CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)

	2015			2014
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Property taxes	\$ 24,347,000	\$ 24,414,150	\$ 67,150	\$ 23,649,213
Special assessments	3,500	13,539	10,039	10,835
Licenses and permits:				
Nonbusiness	3,004,779	5,420,914	2,416,135	4,532,242
Business	373,350	376,696	3,346	392,031
Total licenses and permits	3,378,129	5,797,610	2,419,481	4,924,273
Intergovernmental:				
State grants and aids	1,758,434	2,377,478	619,044	1,788,746
Federal grants	43,200	70,999	27,799	87,368
Other	380,000	432,522	52,522	494,359
Total intergovernmental	2,181,634	2,880,999	699,365	2,370,473
Charges for services	2,007,888	2,385,480	377,592	2,585,479
Fines and forfeitures	766,500	635,906	(130,594)	605,751
Contributions	1,500	17,675	16,175	10,575
Investment earnings (loss)	98,000	222,252	124,252	533,490
Other revenues	106,800	236,937	130,137	215,541
Total revenues	32,890,951	36,604,548	3,713,597	34,905,630
OTHER FINANCING SOURCES:				
Transfers from other funds:				
General Capital Projects	-	-	-	130,000
Improvement Project Construction	310,000	137,401	(172,599)	105,699
Park Replacement	25,000	-	(25,000)	-
Tax Increment Projects	-	80,000	80,000	-
Water Sewer Utility	141,210	141,210	-	141,210
Water Resources	17,388	17,388	-	17,388
Ice Center	11,939	11,939	-	11,939
Solid Waste	17,929	17,929	-	17,929
Field House	3,824	3,824	-	3,824
Resource Planning	10,000	18,516	8,516	96,000
Component Unit	80,000	-	(80,000)	-
Total other financing sources	617,290	428,207	(189,083)	523,989
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 33,508,241	\$ 37,032,755	\$ 3,524,514	\$ 35,429,619

**CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)**

	2015		2014	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
GENERAL GOVERNMENT:				
Legislative:				
Personal services	\$ 312,450	\$ 404,492	\$ (92,042)	\$ 278,996
Materials and supplies	4,000	7,996	(3,996)	2,591
Contractual services	679,629	647,652	31,977	788,553
Other	323,332	113,176	210,156	157,626
Total legislative	<u>1,319,411</u>	<u>1,173,316</u>	<u>146,095</u>	<u>1,227,766</u>
Administration:				
Personal services	1,082,951	1,289,591	(206,640)	1,515,381
Materials and supplies	8,900	23,202	(14,302)	25,831
Contractual services	1,366,919	1,503,709	(136,790)	702,102
Other	3,860	11,026	(7,166)	9,271
Total administration	<u>2,462,630</u>	<u>2,827,528</u>	<u>(364,898)</u>	<u>2,252,585</u>
Community development:				
Personal services	979,791	909,556	70,235	834,556
Materials and supplies	5,550	2,255	3,295	9,937
Contractual services	148,072	134,341	13,731	129,115
Other	100	500,076	(499,976)	67
Total community development	<u>1,133,513</u>	<u>1,546,228</u>	<u>(412,715)</u>	<u>973,675</u>
Total general government	<u>4,915,554</u>	<u>5,547,072</u>	<u>(631,518)</u>	<u>4,454,026</u>
PARKS AND RECREATION:				
Personal services	2,997,491	2,845,804	151,687	2,659,614
Materials and supplies	445,600	505,409	(59,809)	434,994
Contractual services	2,152,585	2,161,597	(9,012)	2,111,174
Capital outlay	8,300	6,877	1,423	90,469
Other	42,000	54,712	(12,712)	40,641
Total parks and recreation	<u>5,645,976</u>	<u>5,574,399</u>	<u>71,577</u>	<u>5,336,892</u>
PUBLIC SAFETY:				
Police:				
Personal services	9,402,435	9,537,408	(134,973)	8,945,032
Materials and supplies	186,906	221,476	(34,570)	152,220
Contractual services	2,355,264	2,372,881	(17,617)	2,336,555
Capital outlay	48,000	-	48,000	192,728
Other	80,100	79,498	602	85,437
Total police	<u>12,072,705</u>	<u>12,211,263</u>	<u>(138,558)</u>	<u>11,711,972</u>
Fire:				
Personal services	1,317,087	1,227,606	89,481	1,283,512
Materials and supplies	129,800	104,240	25,560	128,807
Contractual services	1,259,211	1,195,099	64,112	1,203,197
Capital outlay	20,339	40,542	(20,203)	37,090
Other	450,150	483,256	(33,106)	451,992
Total fire	<u>3,176,587</u>	<u>3,050,743</u>	<u>125,844</u>	<u>3,104,598</u>
Civil defense:				
Personal services	-	269	(269)	-
Materials and supplies	15,700	7,711	7,989	-
Contractual services	70,877	72,896	(2,019)	46,783
Total civil defense	<u>86,577</u>	<u>80,876</u>	<u>5,701</u>	<u>46,783</u>

(Continued...)

CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)

(Continued from previous page)

	2015		2014	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Protective inspections				
Personal services	1,211,131	1,214,247	(3,116)	1,093,870
Materials and supplies	11,100	7,710	3,390	7,015
Contractual services	176,491	180,703	(4,212)	162,189
Other	7,200	15,145	(7,945)	9,042
Total protective inspections	<u>1,405,922</u>	<u>1,417,805</u>	<u>(11,883)</u>	<u>1,272,116</u>
Total public safety	<u>16,741,791</u>	<u>16,760,687</u>	<u>(18,896)</u>	<u>16,135,469</u>
PUBLIC WORKS:				
Engineering:				
Personal services	895,486	765,561	129,925	790,635
Materials and supplies	6,200	3,727	2,473	3,112
Contractual services	168,348	147,615	20,733	154,648
Total engineering	<u>1,070,034</u>	<u>916,903</u>	<u>153,131</u>	<u>948,395</u>
Streets:				
Personal services	1,417,649	1,337,499	80,150	1,194,725
Materials and supplies	925,975	471,880	454,095	801,923
Contractual services	2,570,762	2,205,827	364,935	2,352,799
Capital outlay	35,000	36,297	(1,297)	28,272
Other	-	260	(260)	233
Total streets	<u>4,949,386</u>	<u>4,051,763</u>	<u>897,623</u>	<u>4,377,952</u>
Total public works	<u>6,019,420</u>	<u>4,968,666</u>	<u>1,050,754</u>	<u>5,326,347</u>
Total expenditures	<u>33,322,741</u>	<u>32,850,824</u>	<u>471,917</u>	<u>31,252,734</u>
OTHER FINANCING USES:				
Transfers to other funds:				
Recreation	-	1,919	(1,919)	-
Improvement Project Construction	-	49,032	(49,032)	44,490
General Capital Projects	-	2,750,592	(2,750,592)	3,373,454
Central Equipment	-	-	-	9,553
Information Technology	-	-	-	100
Resource Planning	185,500	185,500	-	134,500
Total other financing uses	<u>185,500</u>	<u>2,987,043</u>	<u>(2,801,543)</u>	<u>3,562,097</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u><u>\$ 33,508,241</u></u>	<u><u>\$ 35,837,867</u></u>	<u><u>\$ (2,329,626)</u></u>	<u><u>\$ 34,814,831</u></u>



PROPRIETARY COMBINING AND INDIVIDUAL FUNDS

Enterprise Funds - Nonmajor

Water Resources Fund - This fund is used to account for resources used to administer the City's surface water plan, erosion control, wetland regulations, and environmental programs including planning, projects, and maintenance.

Solid Waste Management Fund - The Solid Waste Management Fund provides collection services for various recyclable materials. Solid waste expenditures are primarily costs for curbside collections.

Field House Fund - The Field House Fund accounts for the operations of an inflatable dome erected over an indoor soccer field from October through March. Activities include soccer, football, golf, and walking.

Internal Service Funds

Central Equipment Fund - The Central Equipment Fund was established to own and maintain all operating equipment of the City. Equipment maintenance, repair, and replacement costs are provided from rental rates which the Central Equipment Fund charges the City's operating departments for use of equipment.

Public Facilities Fund - The Public Facilities Fund was established to provide services for the operations of City facilities. Facility maintenance, repair, and replacement costs are provided from charges to the City's operating departments for use of the facilities.

Information Technology Fund - The Information Technology Fund was established to account for the planning, designing, and implementing of information systems. Equipment and software maintenance repair, and replacement costs are provided from rental rates charged to the City's operating departments for use of equipment.

Risk Management Fund - The Risk Management Fund administers the City's property, casualty, and self-insured worker's compensation insurance programs. Fund revenues are primarily charges to other funds and interest earnings.

Employee Benefits Fund - The Employee Benefits Fund serves as the recording fund for all employee fringe benefits. Fund revenues are primarily charges to other funds and interest earnings.

Resource Planning Fund - The Resource Planning Fund is used to account for the accumulation of resources for future projects.

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)

	<u>Water Resources</u>	<u>Solid Waste Management</u>	<u>Field House</u>	<u>Totals</u>	
				<u>2015</u>	<u>2014</u>
<u>ASSETS</u>					
Current assets:					
Cash and investments	\$ 3,303,676	\$ 1,877,841	\$ 1,640,410	\$ 6,821,927	\$ 7,079,413
Accounts receivable	-	-	55,698	55,698	11,161
Accrued interest receivable	11,248	6,392	5,584	23,224	24,300
Due from other governments	-	2,149	-	2,149	6,220
Prepaid items	1,840	600	1,699	4,139	7,155
Total current assets	<u>3,316,764</u>	<u>1,886,982</u>	<u>1,703,391</u>	<u>6,907,137</u>	<u>7,128,249</u>
Noncurrent assets:					
Capital assets:					
Land	-	-	47,551	47,551	47,551
Buildings	-	-	1,306,187	1,306,187	1,306,187
Improvements other than buildings	2,572,492	134,949	248,368	2,955,809	2,660,668
Machinery and equipment	241,674	-	161,990	403,664	403,664
Infrastructure	9,922,196	-	-	9,922,196	9,239,427
Construction in progress	662,931	-	-	662,931	222,791
Total capital assets	<u>13,399,293</u>	<u>134,949</u>	<u>1,764,096</u>	<u>15,298,338</u>	<u>13,880,288</u>
Less accumulated depreciation	<u>(1,594,053)</u>	<u>(5,911)</u>	<u>(979,682)</u>	<u>(2,579,646)</u>	<u>(2,158,407)</u>
Net capital assets	<u>11,805,240</u>	<u>129,038</u>	<u>784,414</u>	<u>12,718,692</u>	<u>11,721,881</u>
TOTAL ASSETS	<u>\$ 15,122,004</u>	<u>\$ 2,016,020</u>	<u>\$ 2,487,805</u>	<u>\$ 19,625,829</u>	<u>\$ 18,850,130</u>
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 83,741	\$ 66,470	\$ 10,260	\$ 160,471	\$ 169,083
Contracts payable	416,299	-	-	416,299	6,960
Accrued salaries and benefits payable	23,796	5,385	4,463	33,644	29,391
Due to other governments	-	949	-	949	26,340
Unearned revenue	-	-	70,990	70,990	73,784
Total liabilities	<u>523,836</u>	<u>72,804</u>	<u>85,713</u>	<u>682,353</u>	<u>305,558</u>
<u>NET POSITION</u>					
Net investment in capital assets	11,805,240	129,038	784,414	12,718,692	11,721,881
Restricted	2,792,928	-	-	2,792,928	3,226,566
Unrestricted	-	1,814,178	1,617,678	3,431,856	3,596,125
Total net position	<u>14,598,168</u>	<u>1,943,216</u>	<u>2,402,092</u>	<u>18,943,476</u>	<u>18,544,572</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 15,122,004</u>	<u>\$ 2,016,020</u>	<u>\$ 2,487,805</u>	<u>\$ 19,625,829</u>	<u>\$ 18,850,130</u>

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2015
(with comparative totals for year ended December 31, 2014)

	<u>Water</u>	<u>Solid Waste</u>	<u>Field</u>	<u>Totals</u>	
	<u>Resources</u>	<u>Management</u>	<u>House</u>	<u>2015</u>	<u>2014</u>
OPERATING REVENUES:					
Charges for services	\$ 2,784,447	\$ 501,946	\$ 388,525	\$ 3,674,918	\$ 3,462,456
Other fees	25,816	17,260	3,782	46,858	91,801
Total operating revenue	<u>2,810,263</u>	<u>519,206</u>	<u>392,307</u>	<u>3,721,776</u>	<u>3,554,257</u>
OPERATING EXPENSES:					
Personal services	624,499	183,796	116,906	925,201	866,545
Materials and supplies	128,659	4,425	7,167	140,251	154,526
Contractual services	1,676,809	866,847	92,864	2,636,520	1,882,426
Depreciation	351,671	3,289	66,280	421,240	367,144
Total operating expenses	<u>2,781,638</u>	<u>1,058,357</u>	<u>283,217</u>	<u>4,123,212</u>	<u>3,270,641</u>
OPERATING INCOME (LOSS)	<u>28,625</u>	<u>(539,151)</u>	<u>109,090</u>	<u>(401,436)</u>	<u>283,616</u>
NONOPERATING REVENUES:					
Investment earnings	43,998	30,901	22,828	97,727	227,154
Intergovernmental	35,717	226,782	-	262,499	201,550
Other	5,488	-	-	5,488	27,100
Total nonoperating revenues	<u>85,203</u>	<u>257,683</u>	<u>22,828</u>	<u>365,714</u>	<u>455,804</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	113,828	(281,468)	131,918	(35,722)	739,420
CAPITAL CONTRIBUTIONS	660,498	54,886	-	715,384	1,201,599
TRANSFERS OUT	<u>(196,471)</u>	<u>(77,945)</u>	<u>(6,342)</u>	<u>(280,758)</u>	<u>(396,906)</u>
CHANGES IN NET POSITION	577,855	(304,527)	125,576	398,904	1,544,113
NET POSITION AT BEGINNING OF YEAR	<u>14,020,313</u>	<u>2,247,743</u>	<u>2,276,516</u>	<u>18,544,572</u>	<u>17,000,459</u>
NET POSITION AT END OF YEAR	<u>\$ 14,598,168</u>	<u>\$ 1,943,216</u>	<u>\$ 2,402,092</u>	<u>\$ 18,943,476</u>	<u>\$ 18,544,572</u>

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015
(with comparative totals for year ended December 31, 2014)

	<u>Water</u>	<u>Solid Waste</u>	<u>Field</u>	<u>Totals</u>	
	<u>Resources</u>	<u>Management</u>	<u>House</u>	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers or users	\$ 2,810,263	\$ 522,894	\$ 345,359	\$ 3,678,516	\$ 3,581,683
Payments to suppliers	(1,829,374)	(864,961)	(113,424)	(2,807,759)	(1,997,541)
Payments to employees	(623,038)	(181,191)	(116,719)	(920,948)	(861,168)
Other operating revenue	5,488	-	-	5,488	27,100
Net cash flows from operating activities	<u>363,339</u>	<u>(523,258)</u>	<u>115,216</u>	<u>(44,703)</u>	<u>750,074</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Intergovernmental revenues	35,717	226,782	-	262,499	201,550
Transfers out to other funds	(196,471)	(77,945)	(6,342)	(280,758)	(396,906)
Net cash flows from noncapital financing activities	<u>(160,754)</u>	<u>148,837</u>	<u>(6,342)</u>	<u>(18,259)</u>	<u>(195,356)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(293,327)	-	-	(293,327)	(1,024,016)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment earnings	44,112	32,211	22,480	98,803	228,124
NET CHANGE IN CASH AND CASH EQUIVALENTS	(46,630)	(342,210)	131,354	(257,486)	(241,174)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,350,306	2,220,051	1,509,056	7,079,413	7,320,587
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,303,676	\$ 1,877,841	\$ 1,640,410	\$ 6,821,927	\$ 7,079,413
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ 28,625	\$ (539,151)	\$ 109,090	\$ (401,436)	\$ 283,616
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	351,671	3,289	66,280	421,240	367,144
Other revenue	5,488	-	-	5,488	27,100
Changes in assets and liabilities:					
Accounts receivable	-	-	(44,537)	(44,537)	2,402
Due from other governments	-	3,688	383	4,071	13,783
Prepaid expenses	3,410	-	(395)	3,015	(3,482)
Accounts payable	(976)	5,362	(12,998)	(8,612)	54,122
Due to other governments	(26,340)	949	-	(25,391)	(11,229)
Accrued salaries payable	1,461	2,605	187	4,253	5,377
Unearned revenue	-	-	(2,794)	(2,794)	11,241
Total adjustments	<u>334,714</u>	<u>15,893</u>	<u>6,126</u>	<u>356,733</u>	<u>466,458</u>
Net cash flows from operating activities	<u>\$ 363,339</u>	<u>\$ (523,258)</u>	<u>\$ 115,216</u>	<u>\$ (44,703)</u>	<u>\$ 750,074</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Contributions of capital assets from City funds	137,798	54,886	-	192,684	248,229
Contributions of capital assets from others	522,700	-	-	522,700	953,370
Increase (decrease) in capital assets from accounts and contracts payable	409,339	-	-	409,339	(32,045)

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>				
Current assets:				
Cash and investments	\$ 6,469,704	\$ 5,348,305	\$ 4,877,292	\$ 7,206,285
Accounts receivable	-	-	-	1,960
Accrued interest receivable	22,019	18,204	16,601	24,483
Due from other governments	3,629	-	3,182	-
Inventory	138,167	-	-	-
Prepaid items	1,784	1,866	228,561	108,198
Total current assets	<u>6,635,303</u>	<u>5,368,375</u>	<u>5,125,636</u>	<u>7,340,926</u>
Noncurrent assets:				
Capital assets:				
Land	33,520	-	-	-
Buildings	-	636,652	-	-
Improvements other than buildings	-	290,480	619,995	-
Machinery and equipment	17,895,563	785,551	1,897,685	-
Construction in progress	332,684	29,300	35,000	-
Total capital assets	<u>18,261,767</u>	<u>1,741,983</u>	<u>2,552,680</u>	<u>-</u>
Less accumulated depreciation	<u>(10,269,132)</u>	<u>(238,332)</u>	<u>(1,850,989)</u>	<u>-</u>
Net capital assets	<u>7,992,635</u>	<u>1,503,651</u>	<u>701,691</u>	<u>-</u>
Total assets	<u>14,627,938</u>	<u>6,872,026</u>	<u>5,827,327</u>	<u>7,340,926</u>
Deferred outflows of resources:				
Pension plan deferments - PERA	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 14,627,938</u></u>	<u><u>\$ 6,872,026</u></u>	<u><u>\$ 5,827,327</u></u>	<u><u>\$ 7,340,926</u></u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>				
Current liabilities:				
Accounts payable	\$ 20,258	\$ 40,411	\$ 25,143	\$ 391,268
Accrued salaries and benefits payable	15,436	8,808	22,209	4,261
Compensated absences payable	-	-	-	-
Due to other governments	-	-	154	-
Unearned revenue	-	-	-	-
Total current liabilities	<u>35,694</u>	<u>49,219</u>	<u>47,506</u>	<u>395,529</u>
Noncurrent liabilities:				
OPEB (net)	-	-	-	-
Net pension liability	-	-	-	-
Compensated absences payable	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>35,694</u>	<u>49,219</u>	<u>47,506</u>	<u>395,529</u>
Deferred inflows of resources:				
Pension plan deferments - PERA	-	-	-	-
NET POSITION				
Net investment in capital assets	7,992,635	1,503,651	701,691	-
Unrestricted	6,599,609	5,319,156	5,078,130	6,945,397
Total net position	<u>14,592,244</u>	<u>6,822,807</u>	<u>5,779,821</u>	<u>6,945,397</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 14,627,938</u></u>	<u><u>\$ 6,872,026</u></u>	<u><u>\$ 5,827,327</u></u>	<u><u>\$ 7,340,926</u></u>

Employee Benefits	Resource Planning	Totals	
		2015	2014
\$ 4,700,967	\$ 2,470,441	\$ 31,072,994	\$ 30,431,054
-	-	1,960	2,536
15,801	8,426	105,534	105,315
-	-	6,811	18,064
-	-	138,167	145,716
219,444	-	559,853	343,951
<u>4,936,212</u>	<u>2,478,867</u>	<u>31,885,319</u>	<u>31,046,636</u>
-	-	33,520	33,520
-	-	636,652	636,652
-	-	910,475	697,585
-	-	20,578,799	18,538,354
-	-	396,984	670,545
-	-	<u>22,556,430</u>	<u>20,576,656</u>
-	-	<u>(12,358,453)</u>	<u>(11,644,509)</u>
-	-	<u>10,197,977</u>	<u>8,932,147</u>
<u>4,936,212</u>	<u>2,478,867</u>	<u>42,083,296</u>	<u>39,978,783</u>
<u>3,350,550</u>	<u>-</u>	<u>3,350,550</u>	<u>-</u>
<u>\$ 8,286,762</u>	<u>\$ 2,478,867</u>	<u>\$ 45,433,846</u>	<u>\$ 39,978,783</u>
\$ 53,421	\$ 159	\$ 530,660	\$ 1,053,948
62,345	-	113,059	71,053
1,383,143	-	1,383,143	1,768,538
-	-	154	1,278
-	2,895	2,895	-
<u>1,498,909</u>	<u>3,054</u>	<u>2,029,911</u>	<u>2,894,817</u>
1,510,646	-	1,510,646	1,288,699
17,915,436	-	17,915,436	-
1,186,353	-	1,186,353	736,530
<u>20,612,435</u>	<u>-</u>	<u>20,612,435</u>	<u>2,025,229</u>
<u>22,111,344</u>	<u>3,054</u>	<u>22,642,346</u>	<u>4,920,046</u>
<u>2,765,716</u>	<u>-</u>	<u>2,765,716</u>	<u>-</u>
-	-	10,197,977	8,932,147
<u>(16,590,298)</u>	<u>2,475,813</u>	<u>9,827,807</u>	<u>26,126,590</u>
<u>(16,590,298)</u>	<u>2,475,813</u>	<u>20,025,784</u>	<u>35,058,737</u>
<u>\$ 8,286,762</u>	<u>\$ 2,478,867</u>	<u>\$ 45,433,846</u>	<u>\$ 39,978,783</u>

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2015
(with comparative totals for year ended December 31, 2014)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
OPERATING REVENUES:				
Charges for services	\$ 3,168,334	\$ 1,874,198	\$ 1,648,084	\$ 970,346
Other fees	-	-	-	184,975
Total operating revenue	<u>3,168,334</u>	<u>1,874,198</u>	<u>1,648,084</u>	<u>1,155,321</u>
OPERATING EXPENSES:				
Personal services	423,269	236,300	573,518	111,117
Materials and supplies	686,331	33,421	158,673	426
Insurance Claims	-	-	-	216,582
Contractual services	244,508	980,200	761,250	510,306
Depreciation	1,214,586	76,461	172,437	-
Total operating expenses	<u>2,568,694</u>	<u>1,326,382</u>	<u>1,665,878</u>	<u>838,431</u>
OPERATING INCOME (LOSS)	<u>599,640</u>	<u>547,816</u>	<u>(17,794)</u>	<u>316,890</u>
NONOPERATING REVENUES:				
Investment earnings	96,458	78,876	72,613	103,295
Intergovernmental	-	-	6,461	-
Gain on disposal of capital assets	80,870	-	1,841	-
Contributions	-	-	-	-
Other	2,975	1,075	1,590	-
Total nonoperating revenues	<u>180,303</u>	<u>79,951</u>	<u>82,505</u>	<u>103,295</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	779,943	627,767	64,711	420,185
CAPITAL CONTRIBUTIONS	273,473	122,950	96,356	-
TRANSFERS IN	155,452	-	20,076	-
TRANSFERS OUT	<u>(38)</u>	<u>(129,697)</u>	<u>(96,356)</u>	<u>(123,904)</u>
CHANGES IN NET POSITION	1,208,830	621,020	84,787	296,281
NET POSITION AT BEGINNING OF YEAR	13,383,414	6,201,787	5,695,034	6,649,116
CHANGE IN ACCOUNTING PRINCIPLE	-	-	-	-
NET POSITION AT END OF YEAR	<u>\$ 14,592,244</u>	<u>\$ 6,822,807</u>	<u>\$ 5,779,821</u>	<u>\$ 6,945,397</u>

Employee Benefits	Resource Planning	Totals	
		2015	2014
\$ 3,912,558	\$ 147,326	\$ 11,720,846	\$ 11,274,748
-	-	184,975	210,690
<u>3,912,558</u>	<u>147,326</u>	<u>11,905,821</u>	<u>11,485,438</u>
4,573,573	-	5,917,777	5,142,197
-	215,788	1,094,639	1,823,659
-	-	216,582	404,613
2,372	46,170	2,544,806	2,199,958
-	-	1,463,484	1,356,868
<u>4,575,945</u>	<u>261,958</u>	<u>11,237,288</u>	<u>10,927,295</u>
(663,387)	(114,632)	668,533	558,143
81,833	33,228	466,303	959,718
-	8,748	15,209	44,486
-	-	82,711	144,375
63,090	-	63,090	-
5,805	31,461	42,906	34,391
<u>150,728</u>	<u>73,437</u>	<u>670,219</u>	<u>1,182,970</u>
(512,659)	(41,195)	1,338,752	1,741,113
-	94,004	586,783	184,983
-	197,600	373,128	289,832
-	(40,693)	(390,688)	(265,727)
(512,659)	209,716	1,907,975	1,950,201
863,289	2,266,097	35,058,737	33,108,536
<u>(16,940,928)</u>	<u>-</u>	<u>(16,940,928)</u>	<u>-</u>
<u>\$ (16,590,298)</u>	<u>\$ 2,475,813</u>	<u>\$ 20,025,784</u>	<u>\$ 35,058,737</u>

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015
(with comparative totals for year ended December 31, 2014)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers or users	\$ 3,171,496	\$ 1,874,198	\$ 1,651,678	\$ 1,159,929
Payments to suppliers	(1,378,213)	(1,039,313)	(918,044)	(741,812)
Payments to employees	(421,422)	(235,032)	(571,785)	(111,369)
Other operating revenue	2,975	1,075	1,590	-
Net cash flows from operating activities	<u>1,374,836</u>	<u>600,928</u>	<u>163,439</u>	<u>306,748</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenues	-	-	6,461	-
Contributions	-	-	-	-
Transfers in from other funds	155,452	-	20,076	-
Transfers out to other funds	(38)	(129,697)	(96,356)	(123,904)
Net cash flows from noncapital financing activities	<u>155,414</u>	<u>(129,697)</u>	<u>(69,819)</u>	<u>(123,904)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(1,809,662)	(295,338)	(187,177)	-
Contributions	-	-	-	-
Proceeds from sale of capital assets	136,512	-	1,841	-
Net cash flows from capital and related financing activities	<u>(1,673,150)</u>	<u>(295,338)</u>	<u>(185,336)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	97,042	78,343	72,996	102,800
NET CHANGE IN CASH AND CASH EQUIVALENTS	(45,858)	254,236	(18,720)	285,644
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>6,515,562</u>	<u>5,094,069</u>	<u>4,896,012</u>	<u>6,920,641</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,469,704</u>	<u>\$ 5,348,305</u>	<u>\$ 4,877,292</u>	<u>\$ 7,206,285</u>

(Continued...)

Employee Benefits	Resource Planning	Totals	
		2015	2014
\$ 3,912,558	\$ 150,686	\$ 11,920,545	\$ 11,492,521
(228,387)	(283,023)	(4,588,792)	(4,187,675)
(3,860,114)	-	(5,199,722)	(5,110,945)
5,805	31,461	42,906	34,391
<u>(170,138)</u>	<u>(100,876)</u>	<u>2,174,937</u>	<u>2,228,292</u>
-	8,748	15,209	44,486
63,090	-	63,090	-
-	197,600	373,128	289,832
-	(40,693)	(390,688)	(265,727)
<u>63,090</u>	<u>165,655</u>	<u>60,739</u>	<u>68,591</u>
-	-	(2,292,177)	(2,658,210)
-	94,004	94,004	184,983
-	-	138,353	313,266
<u>-</u>	<u>94,004</u>	<u>(2,059,820)</u>	<u>(2,159,961)</u>
<u>82,201</u>	<u>32,702</u>	<u>466,084</u>	<u>955,506</u>
(24,847)	191,485	641,940	1,092,428
<u>4,725,814</u>	<u>2,278,956</u>	<u>30,431,054</u>	<u>29,338,626</u>
<u>\$ 4,700,967</u>	<u>\$ 2,470,441</u>	<u>\$ 31,072,994</u>	<u>\$ 30,431,054</u>

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015
(with comparative totals for year ended December 31, 2014)

(Continued from previous page)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 599,640	\$ 547,816	\$ (17,794)	\$ 316,890
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	1,214,586	76,461	172,437	-
Other revenues	2,975	1,075	1,590	-
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
Accounts receivable	-	-	503	(392)
Due from other governments	3,162	-	3,091	5,000
Inventory	7,549	-	-	-
Prepaid expenses	11,470	(25)	(6,439)	(1,464)
Deferred outflow for pension plan deferments	-	-	-	-
Accounts payable	(466,393)	(25,667)	8,434	(13,034)
Due to other governments	-	-	(116)	-
Accrued salaries payable	1,847	1,268	1,733	(252)
OPEB	-	-	-	-
Pension liability	-	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue	-	-	-	-
Deferred inflow for pension plan deferments	-	-	-	-
Total adjustments	<u>775,196</u>	<u>53,112</u>	<u>181,233</u>	<u>(10,142)</u>
Net cash flows from operating activities	<u>\$ 1,374,836</u>	<u>\$ 600,928</u>	<u>\$ 163,439</u>	<u>\$ 306,748</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets from City funds	273,472	122,950	96,356	-
Trade-in values on capital asset purchases	55,642	-	-	-

Employee Benefits	Resource Planning	Totals	
		2015	2014
\$ (663,387)	\$ (114,632)	\$ 668,533	\$ 558,143
-	-	1,463,484	1,356,868
5,805	31,461	42,906	34,391
-	465	576	10,049
-	-	11,253	6,270
-	-	7,549	3,605
(219,444)	-	(215,902)	(114,059)
(2,458,685)	-	(2,458,685)	-
(5,563)	(21,065)	(523,288)	201,311
(1,008)	-	(1,124)	(3,436)
37,410	-	42,006	10,996
221,947	-	221,947	153,134
82,643	-	82,643	-
64,428	-	64,428	16,222
-	2,895	2,895	(5,202)
2,765,716	-	2,765,716	-
493,249	13,756	1,506,404	1,670,149
\$ (170,138)	\$ (100,876)	\$ 2,174,937	\$ 2,228,292
-	-	492,778	197,451
-	-	55,642	222,673

This page intentionally left blank



COMPONENT UNIT FINANCIAL STATEMENTS

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH (HRA)

The HRA is a component unit of the City. Its operations are presented as a separate column on the combined financial statements labeled component unit.

GOVERNMENTAL FUNDS

Housing and Redevelopment Authority General Fund - This fund is used to account for the general programs and activities of the HRA. Revenues are derived from the HRA property tax levy. Expenditures include rental subsidies for senior citizens, housing planning, and other general housing and redevelopment activities.

Housing Assistance Special Revenue Fund - This fund is used to account for federal grants used for low-income rental assistance.

PROPRIETARY FUNDS

Plymouth Towne Square Enterprise Fund - This fund accounts for the operation of the Plymouth Towne Square Senior Housing Development. This development is a 99-unit senior independent living community for moderate and low-income Plymouth citizens. A portion of the HRA property tax levy subsidizes the project.

Vicksburg Crossing Enterprise Fund - This fund accounts for the operation of the Vicksburg Crossing Senior Housing Development. This development is a 96-unit senior independent living community for Plymouth citizens. A portion of the units are rented at affordable rental rates and the remainder are at market rates.

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and investments	\$ 3,330,005	\$ 2,753,635	\$ 6,083,640
Accounts receivable	3,634	1,242	4,876
Notes receivable	1,125,759	-	1,125,759
Taxes receivable	4,950	-	4,950
Accrued interest receivable	107,718	6,202	113,920
Due from other governments	26,135	-	26,135
Prepaid items	229,758	35,817	265,575
Capital assets:			
Nondepreciable:			
Land	-	1,333,840	1,333,840
Depreciable (net):			
Buildings	145,001	8,782,037	8,927,038
Improvements other than buildings	-	237,852	237,852
Machinery and equipment	-	206,639	206,639
TOTAL ASSETS	<u>\$ 4,972,960</u>	<u>\$ 13,357,264</u>	<u>\$ 18,330,224</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 627,689	\$ 25,305	\$ 652,994
Accrued salaries and benefits payable	14,948	2,677	17,625
Deposits payable	20,000	123,707	143,707
Due to other governments	901	90,066	90,967
Accrued interest payable	-	127,405	127,405
Noncurrent liabilities:			
Due within one year	-	674,886	674,886
Due in more than one year	-	11,876,372	11,876,372
Total liabilities	<u>663,538</u>	<u>12,920,418</u>	<u>13,583,956</u>
<u>NET POSITION</u>			
Net investment in capital assets	145,001	(1,986,004)	(1,841,003)
Restricted for:			
Debt Service	-	351,528	351,528
Housing projects	4,164,421	-	4,164,421
Unrestricted	-	2,071,322	2,071,322
Total net position	<u>4,309,422</u>	<u>436,846</u>	<u>4,746,268</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,972,960</u>	<u>\$ 13,357,264</u>	<u>\$ 18,330,224</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Public service	\$ 3,955,096	\$ 10,400	\$ 3,735,824	\$ -
Business-type activities:				
Plymouth Towne Square	783,785	681,422	-	80,000
Vicksburg Crossing	1,113,900	1,204,566	-	-
Total business-type activities	1,897,685	1,885,988	-	80,000
Total HRA government	\$ 5,852,781	\$ 1,896,388	\$ 3,735,824	\$ 80,000

GENERAL REVENUES:

Property taxes
Unrestricted interest income
Other

TRANSFERS

Total general revenues

CHANGE IN NET POSITION

NET POSITION - BEGINNING

NET POSITION - ENDING

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (208,872)	\$ -	\$ (208,872)
-	(22,363)	(22,363)
-	90,666	90,666
	68,303	68,303
(208,872)	68,303	(140,569)
538,336	-	538,336
37,013	24,742	61,755
25,901	5,169	31,070
(198,000)	198,000	-
403,250	227,911	631,161
194,378	296,214	490,592
4,115,044	140,632	4,255,676
\$ 4,309,422	\$ 436,846	\$ 4,746,268

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)

	General	Housing Assistance	Totals	
			2015	2014
ASSETS				
Cash and investments	\$ 2,980,085	\$ 349,920	\$ 3,330,005	\$ 2,487,428
Accounts receivable	825	2,809	3,634	7,933
Notes receivable	1,125,759	-	1,125,759	1,133,944
Taxes receivable	4,950	-	4,950	5,939
Accrued interest receivable	107,718	-	107,718	97,796
Due from other governments	-	26,135	26,135	41,644
Prepaid items	1,969	227,789	229,758	238,555
TOTAL ASSETS	\$ 4,221,306	\$ 606,653	\$ 4,827,959	\$ 4,013,239
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 627,644	\$ 45	\$ 627,689	\$ 14,556
Accrued salaries and benefits payable	7,818	7,130	14,948	13,756
Deposits Payable	20,000	-	20,000	20,000
Due to other governments	-	901	901	723
Total liabilities	<u>655,462</u>	<u>8,076</u>	<u>663,538</u>	<u>49,035</u>
Deferred inflows of resources:				
Unavailable revenue	<u>1,227,011</u>	<u>26,288</u>	<u>1,253,299</u>	<u>1,259,496</u>
Fund balances:				
Nonspendable				
Prepaid items	1,969	227,789	229,758	238,555
Restricted for housing projects	<u>2,336,864</u>	<u>344,500</u>	<u>2,681,364</u>	<u>2,466,153</u>
Total fund balances	<u>2,338,833</u>	<u>572,289</u>	<u>2,911,122</u>	<u>2,704,708</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,221,306	\$ 606,653	\$ 4,827,959	\$ 4,013,239

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2015**

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 2,911,122

Amounts reported for governmental activities in the statement of net position are different because:

1. Capital assets used in governmental activities are not financial resources, therefore are not reported in the fund statements.

Capital assets	175,169	
Accumulated depreciation	<u>(30,168)</u>	145,001

2. Unavailable revenue in governmental funds is susceptible to full accrual on government-wide statements.

	<u>1,253,299</u>
--	------------------

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 4,309,422</u>
---	---------------------

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2015
(with comparative totals for year ended December 31, 2014)

	General	Housing Assistance	Totals	
			2015	2014
REVENUES:				
Property taxes	\$ 539,862	\$ -	\$ 539,862	\$ 530,282
Intergovernmental	625,016	3,115,479	3,740,495	3,056,731
Charges for services	10,400	-	10,400	16,463
Interest income (loss)	37,032	(19)	37,013	72,157
Other revenues	25,901	-	25,901	10,031
Total revenues	<u>1,238,211</u>	<u>3,115,460</u>	<u>4,353,671</u>	<u>3,685,664</u>
EXPENDITURES:				
Current:				
Public service	<u>877,049</u>	<u>3,072,208</u>	<u>3,949,257</u>	<u>3,346,924</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>361,162</u>	<u>43,252</u>	<u>404,414</u>	<u>338,740</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(198,000)</u>	<u>-</u>	<u>(198,000)</u>	<u>(265,008)</u>
NET CHANGE IN FUND BALANCE	163,162	43,252	206,414	73,732
FUND BALANCES AT BEGINNING OF YEAR	<u>2,175,671</u>	<u>529,037</u>	<u>2,704,708</u>	<u>2,630,976</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,338,833</u>	<u>\$ 572,289</u>	<u>\$ 2,911,122</u>	<u>\$ 2,704,708</u>

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 206,414

Amounts reported for governmental activities in the statement of activities are different because:

1. Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.
 Depreciation expense (5,839)
2. Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. (6,197)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 194,378

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)

	2015			2014
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Property taxes	\$ 537,777	\$ 539,862	\$ 2,085	\$ 530,282
Intergovernmental	-	625,016	625,016	13
Charges for services	9,900	10,400	500	16,463
Interest income	21,825	37,032	15,207	72,132
Other revenues	41,000	25,901	(15,099)	10,031
Total revenues	<u>610,502</u>	<u>1,238,211</u>	<u>627,709</u>	<u>628,921</u>
EXPENDITURES:				
Public service:				
Personal services	203,362	207,017	(3,655)	201,008
Materials and supplies	700	832	(132)	151
Contractual services:				
Grant awards	-	625,000	(625,000)	-
Other	100,626	44,200	56,426	32,632
Total expenditures	<u>304,688</u>	<u>877,049</u>	<u>(572,361)</u>	<u>233,791</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>305,814</u>	<u>361,162</u>	<u>55,348</u>	<u>395,130</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(305,814)</u>	<u>(198,000)</u>	<u>107,814</u>	<u>(265,008)</u>
NET CHANGE IN FUND BALANCE	-	163,162	163,162	130,122
FUND BALANCES AT BEGINNING OF YEAR	<u>2,175,671</u>	<u>2,175,671</u>	-	<u>2,045,549</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,175,671</u>	<u>\$ 2,338,833</u>	<u>\$ 163,162</u>	<u>\$ 2,175,671</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
HOUSING ASSISTANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015
(with comparative actual amounts for year ended December 31, 2014)

	2015			2014
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Intergovernmental	\$ 3,288,029	\$ 3,115,479	\$ (172,550)	\$ 3,056,718
Interest income (loss)	-	(19)	(19)	25
Total revenues	<u>3,288,029</u>	<u>3,115,460</u>	<u>(172,569)</u>	<u>3,056,743</u>
EXPENDITURES:				
Public service:				
Personal services	238,812	202,975	35,837	214,746
Materials and supplies	50	-	50	-
Contractual services:				
Housing assistance	3,033,250	2,834,572	198,678	2,865,955
Other	40,526	34,661	5,865	32,432
Total expenditures	<u>3,312,638</u>	<u>3,072,208</u>	<u>240,430</u>	<u>3,113,133</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(24,609)</u>	<u>43,252</u>	<u>67,861</u>	<u>(56,390)</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>24,609</u>	<u>-</u>	<u>(24,609)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	43,252	43,252	(56,390)
FUND BALANCES AT BEGINNING OF YEAR	<u>529,037</u>	<u>529,037</u>	<u>-</u>	<u>585,427</u>
FUND BALANCES AT END OF YEAR	<u>\$ 529,037</u>	<u>\$ 572,289</u>	<u>\$ 43,252</u>	<u>\$ 529,037</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2015	2014
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 1,169,710	\$ 1,583,925	\$ 2,753,635	\$ 2,531,635
Restricted cash and investments	-	-	-	9,321,060
Accounts receivable	(25)	1,267	1,242	903
Accrued interest receivable	3,043	3,159	6,202	23,202
Prepaid items	16,953	18,864	35,817	44,554
Total current assets	<u>1,189,681</u>	<u>1,607,215</u>	<u>2,796,896</u>	<u>11,921,354</u>
Noncurrent assets:				
Capital assets:				
Land	459,247	874,593	1,333,840	1,333,840
Buildings	6,053,911	9,025,428	15,079,339	15,094,825
Improvements other than buildings	174,696	238,793	413,489	350,183
Machinery and equipment	417,038	363,713	780,751	780,751
Total capital assets	<u>7,104,892</u>	<u>10,502,527</u>	<u>17,607,419</u>	<u>17,559,599</u>
Less accumulated depreciation	<u>(3,736,761)</u>	<u>(3,310,290)</u>	<u>(7,047,051)</u>	<u>(6,542,345)</u>
Net capital assets	<u>3,368,131</u>	<u>7,192,237</u>	<u>10,560,368</u>	<u>11,017,254</u>
Total noncurrent assets	<u>3,368,131</u>	<u>7,192,237</u>	<u>10,560,368</u>	<u>11,017,254</u>
TOTAL ASSETS	<u>\$ 4,557,812</u>	<u>\$ 8,799,452</u>	<u>\$ 13,357,264</u>	<u>\$ 22,938,608</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ 13,865	\$ 11,440	\$ 25,305	\$ 26,015
Accrued salaries and benefits payable	1,336	1,341	2,677	9,481
Deposits payable	58,193	65,514	123,707	118,043
Due to other governments	31,820	58,246	90,066	88,914
Accrued interest payable	18,322	109,083	127,405	310,890
Compensated absences payable	2,057	2,829	4,886	4,436
Revenue bonds payable	270,000	400,000	670,000	9,690,000
Total current liabilities	<u>395,593</u>	<u>648,453</u>	<u>1,044,046</u>	<u>10,247,779</u>
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized premiums/discounts)	<u>2,193,969</u>	<u>9,682,403</u>	<u>11,876,372</u>	<u>12,550,197</u>
Total liabilities	<u>2,589,562</u>	<u>10,330,856</u>	<u>12,920,418</u>	<u>22,797,976</u>
<u>NET POSITION</u>				
Net investment in capital assets	904,162	(2,890,166)	(1,986,004)	(1,901,883)
Restricted for debt service	(90,171)	441,699	351,528	478,224
Unrestricted	<u>1,154,259</u>	<u>917,063</u>	<u>2,071,322</u>	<u>1,564,291</u>
Total net position	<u>1,968,250</u>	<u>(1,531,404)</u>	<u>436,846</u>	<u>140,632</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,557,812</u>	<u>\$ 8,799,452</u>	<u>\$ 13,357,264</u>	<u>\$ 22,938,608</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2015
(with comparative totals for year ended December 31, 2014)

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2015	2014
OPERATING REVENUES:				
Rental revenue	\$ 681,422	\$ 1,204,566	\$ 1,885,988	\$ 1,867,552
Other	1,797	3,372	5,169	5,314
Total operating revenues	<u>683,219</u>	<u>1,207,938</u>	<u>1,891,157</u>	<u>1,872,866</u>
OPERATING EXPENSES:				
Personal services	120,591	120,469	241,060	232,762
Materials and supplies	13,705	14,059	27,764	47,738
Contractual services	387,145	337,985	725,130	711,124
Depreciation	189,115	340,184	529,299	562,653
Total operating expenses	<u>710,556</u>	<u>812,697</u>	<u>1,523,253</u>	<u>1,554,277</u>
OPERATING INCOME (LOSS)	<u>(27,337)</u>	<u>395,241</u>	<u>367,904</u>	<u>318,589</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	16,505	8,237	24,742	90,834
Amortization	6,319	(2,494)	3,825	3,824
Interest expense	(79,548)	(298,709)	(378,257)	(785,895)
Total nonoperating revenues (expenses)	<u>(56,724)</u>	<u>(292,966)</u>	<u>(349,690)</u>	<u>(691,237)</u>
INCOME (LOSS) BEFORE TRANSFERS	(84,061)	102,275	18,214	(372,648)
CAPITAL CONTRIBUTIONS	80,000	-	80,000	-
TRANSFERS IN	<u>138,000</u>	<u>60,000</u>	<u>198,000</u>	<u>265,008</u>
CHANGES IN NET POSITION	133,939	162,275	296,214	(107,640)
NET POSITION AT BEGINNING OF YEAR	<u>1,834,311</u>	<u>(1,693,679)</u>	<u>140,632</u>	<u>248,272</u>
NET POSITION AT END OF YEAR	<u>\$ 1,968,250</u>	<u>\$ (1,531,404)</u>	<u>\$ 436,846</u>	<u>\$ 140,632</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015
(with comparative totals for year ended December 31, 2014)

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers or users	\$ 683,034	\$ 1,208,279	\$ 1,891,313	\$ 1,872,177
Payments to suppliers	(397,231)	(346,483)	(743,715)	(777,039)
Payments to employees	(124,371)	(123,043)	(247,414)	(229,314)
Other operating revenue	1,797	3,372	5,169	5,314
Net cash flows from operating activities	<u>163,229</u>	<u>742,125</u>	<u>905,353</u>	<u>871,138</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in from other funds	<u>138,000</u>	<u>60,000</u>	<u>198,000</u>	<u>265,008</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(72,413)	-	(72,413)	(29,369)
Contributions	80,000	-	80,000	-
Principal paid on capital debt	(255,000)	(220,000)	(475,000)	(455,000)
Interest paid on capital debt	(81,460)	(480,282)	(561,742)	(791,187)
Net cash flows from capital and related financing activities	<u>(328,873)</u>	<u>(700,282)</u>	<u>(1,029,155)</u>	<u>(1,275,556)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	17,211	24,530	41,742	90,449
Purchase of investments	-	106,060	106,060	211,585
Net cash flows from investing activities	<u>17,211</u>	<u>130,590</u>	<u>147,802</u>	<u>302,034</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(10,433)</u>	<u>232,433</u>	<u>222,000</u>	<u>162,624</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,180,143</u>	<u>1,351,492</u>	<u>2,531,635</u>	<u>2,369,011</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,169,710</u>	<u>\$ 1,583,925</u>	<u>\$ 2,753,635</u>	<u>\$ 2,531,635</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ (27,337)	\$ 395,241	\$ 367,904	\$ 318,589
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	189,115	340,184	529,299	562,653
Changes in assets and liabilities:				
Accounts receivable	34	(373)	(339)	(83)
Prepaid expenses	4,963	3,774	8,736	(11,314)
Accounts payable	(1,305)	595	(710)	(9,408)
Accrued salaries payable	(3,619)	(3,185)	(6,804)	1,920
Due to other governments	(39)	1,192	1,153	2,545
Deposits payable	1,578	4,086	5,664	4,708
Compensated absences payable	(161)	611	450	1,528
Total adjustments	<u>190,566</u>	<u>346,884</u>	<u>537,449</u>	<u>552,549</u>
Net cash flows from operating activities	<u>\$ 163,229</u>	<u>\$ 742,125</u>	<u>\$ 905,353</u>	<u>\$ 871,138</u>

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - HOUSING CHOICE VOUCHERS
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2015**

ASSETS

Current assets:

111	Cash - unrestricted	\$	335,866
113	Cash - other restricted		14,054
121	Accounts receivable - PHA projects		1,444
122	Accounts receivable - HUD projects		763
128	Fraud recovery		26,144
142	Prepaid expenses and other assets		227,789
144	Inter-program - due from		593
190	Total assets	\$	<u>606,653</u>

LIABILITIES

Current liabilities:

312	Accounts payable <= 90 days	\$	45
321	Accrued wage/payroll taxes payable		7,130
332	Accounts payable - PHA projects		901
300	Total liabilities		<u>8,076</u>

NET POSITION

511.4	Restricted net position		26,368
512.4	Unrestricted net position		<u>572,209</u>
513	Total net position		<u>598,577</u>
600	Total liabilities and net position	\$	<u>606,653</u>

The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - HOUSING CHOICE VOUCHERS
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2015**

REVENUES:

70600	HUD PHA operating grants	\$ 1,742,083
71400	Fraud recovery	1,755
71500	Other revenue	1,262,923
70000	Total revenue	<u>3,006,761</u>

OPERATING EXPENSES:

Administrative:

91100	Administrative salaries	148,093
91200	Auditing fees	3,091
91500	Employee benefit contributions - administrative	51,987
91600	Office expenses	14,635
91800	Travel	116
91900	Other	3,659
91000	Total administrative	<u>221,581</u>

General expenses:

96110	Property insurance	75
96120	Liability insurance	2,119
96130	Workmen's compensation	1,275
96140	All other insurance	633
96100	Total insurance premium	<u>4,102</u>

Other general expenses:

96200	Other general expenses	6,502
96900	Total operating expenses	<u>232,185</u>

EXCESS (DEFICIENCY) OF OPERATING REVENUES

OVER (UNDER) OPERATING EXPENSES 2,774,576

OTHER EXPENSES:

97300	Housing assistance payments	1,552,180
97350	HAP Portability-In	1,183,024
90000	Total other expenses	<u>2,735,204</u>

EXCESS (DEFICIENCY) OF TOTAL REVENUE

OVER (UNDER) TOTAL EXPENSES 39,372

NET POSITION AT BEGINNING OF YEAR

559,205

NET POSITION AT END OF YEAR

\$ 598,577

MEMO ACCOUNT INFORMATION:

11170	Administrative fee equity	572,209
11180	Housing assistance payments equity	26,368
	Total net position	<u>\$ 598,577</u>

11190 Unit months available 2,513

11210 Number of unit months leased 2,513

The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - MAINSTREAM VOUCHERS
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2015**

ASSETS

Current assets:

122	Accounts receivable - HUD projects	\$	<u>593</u>
-----	------------------------------------	----	------------

LIABILITIES

Current liabilities:

347	Inter-program - due to	\$	<u>593</u>
-----	------------------------	----	------------

The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - MAINSTREAM VOUCHERS
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2015**

REVENUES:

70600 HUD PHA operating grants	\$ 104,837
--------------------------------	------------

OPERATING EXPENSES:

Administrative:

91100 Administrative salaries	2,894
91200 Auditing fees	3,091
91600 Office expenses	<u>5,985</u>
96900 Total operating expenses	<u>11,970</u>

EXCESS (DEFICIENCY) OF OPERATING REVENUES
OVER (UNDER) OPERATING EXPENSES

92,867

OTHER EXPENSES:

97300 Housing assistance payments	<u>92,867</u>
-----------------------------------	---------------

EXCESS (DEFICIENCY) OF TOTAL REVENUE
OVER (UNDER) TOTAL EXPENSES

-

NET POSITION AT BEGINNING OF YEAR

-

NET POSITION AT END OF YEAR

\$ -

MEMO ACCOUNT INFORMATION:

11190 Unit months available	180
11210 Number of unit months leased	178

The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - STATE/LOCAL
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2015**

ASSETS

Current assets:

111	Cash - unrestricted	\$	2,980,085
124	Accounts receivable - other government		4,950
125	Accounts receivable - miscellaneous		825
129	Accrued interest receivable		107,718
142	Prepaid expenses and other assets		1,969
150	Total current assets		<u>3,095,547</u>

Non-current assets:

162	Buildings		175,169
166	Accumulated depreciation		(30,168)
171	Notes, loans, and mortgages receivable - non-current		1,125,759
180	Total non-current assets		<u>1,270,760</u>
190	Total assets	\$	<u><u>4,366,307</u></u>

LIABILITIES

Current liabilities:

312	Accounts payable <= 90 days	\$	627,644
321	Accrued wage/payroll taxes payable		7,818
345	Other current liabilities		20,000
300	Total liabilities		<u>655,462</u>

NET POSITION

508.4	Net investment in capital assets		145,001
512.4	Unrestricted net position		3,565,844
513	Total net position		<u>3,710,845</u>
600	Total liabilities and net position	\$	<u><u>4,366,307</u></u>

The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - STATE/LOCAL
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2015**

REVENUES:

70800	Other government grants	\$ 625,000
71100	Investment income - unrestricted	37,032
71500	Other revenue	<u>573,862</u>
70000	Total revenue	1,235,894

OPERATING EXPENSES:

Administrative:

91100	Administrative salaries	162,332
91200	Auditing fees	1,649
91500	Employee benefit contributions - administrative	44,686
91600	Office expenses	25,189
91700	Legal expense	4,484
91800	Travel	26
91900	Other	<u>8,434</u>
91000	Total administrative	246,800

Ordinary maintenance and operations:

94300	Contracts	2,749
-------	-----------	-------

General expenses:

96110	Property insurance	43
96120	Liability insurance	1,223
96130	Workmen's compensation	735
96140	All other insurance	<u>449</u>
96100	Total insurance premium	2,450

Other general expenses:

96200	Other general expenses	<u>625,050</u>
96900	Total operating expenses	877,049

EXCESS (DEFICIENCY) OF OPERATING REVENUES
OVER (UNDER) OPERATING EXPENSES

358,845

OTHER EXPENSES:

97400	Depreciation	5,839
-------	--------------	-------

OTHER FINANCING SOURCES (USES):

10020	Operating Transfers out	<u>(198,000)</u>
-------	-------------------------	------------------

EXCESS (DEFICIENCY) OF TOTAL REVENUE
OVER (UNDER) TOTAL EXPENSES

155,006

NET POSITION AT BEGINNING OF YEAR

3,555,839

NET POSITION AT END OF YEAR

\$ 3,710,845

The notes to the financial data schedule are an integral part of this statement.

CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2015

ASSETS

Current assets:

111	Cash - unrestricted	\$	132,434
114	Cash - tenant security deposit		127,929
131	Investments - unrestricted		1,471,744
132	Investments - restricted		351,528
135	Investments - restricted for payment of current liabilities		670,000
125	Accounts receivable - miscellaneous		442
126	Accounts receivable - tenants		800
129	Accrued interest receivable		6,202
142	Prepaid expenses and other assets		35,817
150	Total current assets		<u>2,796,896</u>

Non-current assets:

161	Land		1,333,840
162	Buildings		15,492,828
163	Furniture, equipment & machinery - dwellings		750,315
164	Furniture, equipment & machinery - administration		30,436
166	Accumulated depreciation		<u>(7,047,051)</u>
180	Total non-current assets		<u>10,560,368</u>
190	Total assets	\$	<u><u>13,357,264</u></u>

LIABILITIES

Current liabilities:

312	Accounts payable <= 90 days	\$	25,305
321	Accrued wage/payroll taxes payable		2,677
322	Accrued compensated absences - current portion		4,886
325	Accrued interest payable		127,405
333	Accounts payable - other government		90,066
341	Tenant security deposit		123,707
343	Current portion of long-term debt - capital projects and mortgage revenue bonds		<u>670,000</u>
310	Total current liabilities		<u>1,044,046</u>

Noncurrent liabilities:

351	Long-term debt, net of current - capital projects and mortgage revenue bonds		<u>11,876,372</u>
300	Total liabilities		<u>12,920,418</u>

NET POSITION

508.4	Net investment in capital assets		(1,986,004)
511.4	Restricted net position		351,528
512.4	Unrestricted net position		<u>2,071,322</u>
513	Total net position		<u>436,846</u>
600	Total liabilities and net position	\$	<u><u>13,357,264</u></u>

The notes to the financial data schedule are an integral part of this statement.

CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2014

REVENUES:

70300	Net tenant rental revenue	\$ 1,801,329
70400	Tenant revenue - other	84,659
70500	Total tenant revenue	<u>1,885,988</u>
71100	Investment income - unrestricted	21,402
71500	Other revenue	85,169
72000	Investments income - restricted	3,340
70000	Total revenue	<u>1,995,899</u>

OPERATING EXPENSES:

Administrative:

91100	Administrative salaries	101,342
91200	Auditing fees	1,592
91300	Management fee	105,000
91500	Employee benefit contributions - administrative	54,423
91600	Office expenses	34,439
91000	Total administrative	<u>296,796</u>

Tenant services:

92400	Other	11,112
-------	-------	--------

Utilities:

93100	Water	20,712
93200	Electricity	49,155
93300	Gas	38,358
93000	Total utilities	<u>108,225</u>

Ordinary maintenance and operations:

94100	Labor	84,727
94200	Materials and other	16,650
94300	Contracts	323,132
94000	Total maintenance and operations	<u>424,509</u>

General expenses:

96110	Property insurance	63,245
-------	--------------------	--------

Other general expenses:

96300	Payments in lieu of taxes	90,066
-------	---------------------------	--------

Interest expense:

96710	Interest on mortgage (or bonds) payable	374,433
96900	Total operating expenses	<u>1,368,386</u>

(Continued...)

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2014**

(Continued from previous page)

EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER (UNDER) OPERATING EXPENSES	627,513
OTHER EXPENSES:	
97400 Depreciation	529,299
OTHER FINANCING SOURCES (USES):	
10010 Operating transfers in	<u>198,000</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	296,214
NET POSITION AT BEGINNING OF YEAR	<u>140,632</u>
NET POSITION AT END OF YEAR	<u>\$ 436,846</u>
MEMO ACCOUNT INFORMATION:	
11020 Required annual debt principal payments	\$ 9,690,000
11190 Unit months available	2,340
11210 Number of unit months leased	2,289

The notes to the financial data schedule are an integral part of this statement.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL DATA SCHEDULE
Year Ended December 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial data schedules are presented on a full accrual basis of accounting. The information in these schedules is presented in accordance with the U.S. Department of Housing and Urban Development (HUD), Office of Public and Indian Housing, Real Estate Assessment Center and the Financial Assessment Subsystem-Public Housing (FASS-PH). Therefore, some of the amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the City's basic financial statements.



STATISTICAL SECTION

CITY OF PLYMOUTH, MINNESOTA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 147,612	\$ 150,167	\$ 155,191	\$ 154,183	\$ 155,551	\$ 161,820	\$ 166,158	\$ 166,354	\$ 188,060	\$ 192,834
Restricted	17,533	4,772	5,324	5,615	5,744	16,127	16,637	17,234	13,365	24,401
Unrestricted	47,610	70,517	73,960	76,294	79,792	76,773	79,439	83,007	88,808	76,392
Total government activities net position	<u>\$ 212,755</u>	<u>\$ 225,456</u>	<u>\$ 234,475</u>	<u>\$ 236,092</u>	<u>\$ 241,087</u>	<u>\$ 254,720</u>	<u>\$ 262,234</u>	<u>\$ 266,595</u>	<u>\$ 290,233</u>	<u>\$ 293,627</u>
Business-type activities										
Net investment in capital assets	\$ 89,696	\$ 91,541	\$ 91,502	\$ 92,630	\$ 92,171	\$ 98,947	\$ 101,819	\$ 106,156	\$ 108,738	\$ 109,940
Restricted	20,053	18,377	19,658	18,876	20,833	22,515	24,362	26,906	27,846	24,095
Unrestricted	16,719	17,241	16,054	15,756	13,541	12,781	12,870	9,382	8,231	9,127
Total business-type activities net position	<u>\$ 126,468</u>	<u>\$ 127,159</u>	<u>\$ 127,214</u>	<u>\$ 127,262</u>	<u>\$ 126,545</u>	<u>\$ 134,243</u>	<u>\$ 139,051</u>	<u>\$ 142,444</u>	<u>\$ 144,815</u>	<u>\$ 143,162</u>
Primary government										
Net investment in capital assets	\$ 237,308	\$ 241,708	\$ 246,693	\$ 246,813	\$ 247,722	\$ 260,767	\$ 267,977	\$ 272,510	\$ 296,798	\$ 302,774
Restricted	37,586	23,149	24,982	24,491	26,577	38,642	40,999	44,140	41,211	48,496
Unrestricted	64,329	87,758	90,014	92,050	93,333	89,554	92,309	92,389	97,039	85,519
Total primary government net position	<u>\$ 339,223</u>	<u>\$ 352,615</u>	<u>\$ 361,689</u>	<u>\$ 363,354</u>	<u>\$ 367,632</u>	<u>\$ 388,963</u>	<u>\$ 401,285</u>	<u>\$ 409,039</u>	<u>\$ 435,048</u>	<u>\$ 436,789</u>

Note: The City implemented GASB Statement No. 68 in fiscal 2015, recording a change in accounting principle that decreased net position. Prior year balances were not restated.

CITY OF PLYMOUTH, MINNESOTA
CHANGES IN NET POSITION-CONTINUED ON FOLLOWING PAGE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 5,172	\$ 8,268	\$ 5,398	\$ 4,979	\$ 4,733	\$ 4,300	\$ 4,736	\$ 4,483	\$ 4,743	\$ 5,836
Economic development	-	-	-	-	226	353	354	345	653	679
Parks and recreation	6,932	7,694	7,914	7,498	7,977	8,115	8,044	7,987	8,427	8,833
Public safety	12,222	12,221	14,214	14,214	14,296	13,714	14,310	15,311	16,111	16,815
Public service	6,004	4,377	4,541	4,323	5,102	4,431	4,020	4,310	4,131	4,410
Public works	10,978	10,051	10,374	10,876	10,615	11,936	12,189	12,164	12,700	13,610
Interest on long-term debt	745	701	772	757	648	636	808	624	592	553
Total governmental activities expenses	<u>42,053</u>	<u>43,312</u>	<u>43,213</u>	<u>42,647</u>	<u>43,597</u>	<u>43,485</u>	<u>44,461</u>	<u>45,224</u>	<u>47,357</u>	<u>50,736</u>
Business-type activities:										
Water sewer utility	13,206	14,528	14,620	14,789	14,234	14,497	15,045	15,404	15,664	17,384
Ice center	1,602	1,700	1,761	1,623	1,669	1,726	1,695	1,734	1,708	1,717
Water resources	1,942	1,714	1,922	2,086	1,829	1,818	1,932	1,966	1,996	2,751
Solid waste management	813	969	1,029	944	1,049	1,055	900	916	922	1,060
Field house	305	307	299	293	255	230	236	310	324	284
Total business-type activities expenses	<u>17,868</u>	<u>19,218</u>	<u>19,631</u>	<u>19,736</u>	<u>19,036</u>	<u>19,326</u>	<u>19,808</u>	<u>20,330</u>	<u>20,614</u>	<u>23,196</u>
Total primary government expenses	<u>\$ 59,921</u>	<u>\$ 62,530</u>	<u>\$ 62,844</u>	<u>\$ 62,382</u>	<u>\$ 62,633</u>	<u>\$ 62,811</u>	<u>\$ 64,269</u>	<u>\$ 65,554</u>	<u>\$ 67,971</u>	<u>\$ 73,932</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 310	\$ 334	\$ 46	\$ 333	\$ 469	\$ 539	\$ 423	\$ 487	\$ 416	\$ 487
Economic development	-	-	-	-	7	7	-	-	-	-
Parks and recreation	1,189	1,296	1,451	1,312	1,461	1,519	1,582	1,525	1,599	1,520
Public safety	3,116	3,469	3,931	2,176	2,385	3,884	3,705	4,032	4,516	5,641
Public service	803	1,126	1,098	1,009	953	1,078	979	895	1,007	994
Public works	1,004	931	902	576	1,503	1,935	1,479	1,644	2,833	1,910
Operating grants and contributions	6,232	6,804	9,346	7,118	6,910	5,579	7,770	7,858	9,405	9,393
Capital grants and contributions	12,958	10,292	3,485	2,138	3,578	9,094	4,582	5,525	15,343	9,871
Total governmental activities program revenues	<u>\$ 25,612</u>	<u>\$ 24,252</u>	<u>\$ 20,259</u>	<u>\$ 14,662</u>	<u>\$ 17,266</u>	<u>\$ 23,635</u>	<u>\$ 20,520</u>	<u>\$ 21,966</u>	<u>\$ 35,119</u>	<u>\$ 29,816</u>

CITY OF PLYMOUTH, MINNESOTA
CHANGES IN NET POSITION-CONTINUED
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Water sewer utility	\$ 10,404	\$ 11,830	\$ 12,276	\$ 13,089	\$ 12,950	\$ 13,546	\$ 14,238	\$ 15,059	\$ 14,354	\$ 15,315
Ice center	1,230	1,261	1,372	1,406	1,401	1,407	1,465	1,471	1,508	1,603
Water resources	2,032	2,190	2,366	2,547	2,591	2,562	2,573	2,619	2,705	2,816
Solid waste management	917	1,072	1,296	411	710	941	632	523	498	519
Field house	294	301	358	364	369	348	335	393	378	392
Operating grants and contributions	522	186	717	236	1,087	372	329	446	327	378
Capital grants and contributions	6,187	2,138	1,071	589	778	10,564	5,036	2,417	3,970	1,987
Total business-type activities program revenues	21,586	18,978	19,456	18,642	19,886	29,740	24,608	22,928	23,740	23,010
Total primary government program revenues	\$ 47,198	\$ 43,230	\$ 39,715	\$ 33,304	\$ 37,152	\$ 53,375	\$ 45,128	\$ 44,894	\$ 58,859	\$ 52,826
Net (expense) revenue										
Governmental activities	\$ (16,441)	\$ (19,060)	\$ (22,954)	\$ (27,985)	\$ (26,331)	\$ (19,850)	\$ (23,941)	\$ (23,258)	\$ (12,238)	\$ (20,920)
Business-type activities	3,718	(240)	(175)	(1,094)	850	10,414	4,800	2,598	3,126	(186)
Total primary government	\$ (12,723)	\$ (19,300)	\$ (23,129)	\$ (29,078)	\$ (25,481)	\$ (9,436)	\$ (19,141)	\$ (20,660)	\$ (9,112)	\$ (21,106)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 23,357	\$ 26,086	\$ 27,543	\$ 29,057	\$ 28,581	\$ 28,551	\$ 29,256	\$ 29,695	\$ 30,038	\$ 31,108
Franchise fees	-	-	-	-	-	-	-	-	-	2,631
Investment earnings	3,018	3,962	2,881	732	361	1,704	1,109	(1,594)	3,448	1,644
Gain on sale of capital assets	138	10	59	102	81	-	133	91	144	83
Other	130	291	162	195	348	12	233	290	326	432
Transfers	(257)	1,411	1,328	(485)	1,954	3,216	724	(863)	1,920	(299)
Total governmental activities	26,386	31,760	31,973	29,602	31,325	33,483	31,455	27,619	35,876	35,599
Business-type activities:										
Investment earnings	1,579	2,229	1,433	571	366	489	671	(68)	1,165	676
Other	250	113	125	85	21	11	61	-	-	-
Transfers	257	(1,411)	(1,328)	485	(1,954)	(3,216)	(724)	863	(1,920)	299
Total business-type activities	2,086	931	230	1,142	(1,567)	(2,716)	8	795	(755)	975
Total primary government	\$ 28,472	\$ 32,691	\$ 32,203	\$ 30,743	\$ 29,758	\$ 30,767	\$ 31,463	\$ 28,414	\$ 35,121	\$ 36,574
Change in Net Position										
Governmental activities	\$ 9,945	\$ 12,700	\$ 9,019	\$ 1,617	\$ 4,994	\$ 13,633	\$ 7,514	\$ 4,361	\$ 23,638	\$ 14,679
Business-type activities	5,804	691	55	48	(717)	7,698	4,808	3,393	2,371	789
Total primary government	\$ 15,749	\$ 13,391	\$ 9,074	\$ 1,665	\$ 4,277	\$ 21,331	\$ 12,322	\$ 7,754	\$ 26,009	\$ 15,468

CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax
2006	\$ 23,357
2007	26,086
2008	27,543
2009	29,057
2010	28,581
2011	28,551
2012	29,256
2013	29,695
2014	30,038
2015	31,108

CITY OF PLYMOUTH, MINNESOTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Nonspendable	\$ -	\$ 10	\$ 8	\$ 7	\$ 6	\$ 10	\$ 62	\$ 37	\$ 474	\$ 69
Assigned	-	68	1,333	246	585	633	447	518	689	180
Unassigned	10,354	10,943	9,927	11,478	11,246	11,365	11,814	12,234	12,240	14,349
Total general fund	<u>\$ 10,354</u>	<u>\$ 11,021</u>	<u>\$ 11,268</u>	<u>\$ 11,731</u>	<u>\$ 11,837</u>	<u>\$ 12,008</u>	<u>\$ 12,323</u>	<u>\$ 12,789</u>	<u>\$ 13,403</u>	<u>\$ 14,598</u>
All other governmental funds										
Nonspendable	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 52	\$ 51	\$ 60	\$ 54
Restricted	10,082	10,769	12,568	16,777	14,515	15,289	19,475	20,227	16,233	19,065
Assigned	29,552	32,570	32,571	33,505	34,137	38,214	41,654	43,961	48,901	48,915
Unassigned	(128)	-	-	(1)	(1)	(1)	-	-	(542)	-
Total all other governmental funds	<u>39,552</u>	<u>43,385</u>	<u>45,185</u>	<u>50,327</u>	<u>48,697</u>	<u>53,548</u>	<u>61,181</u>	<u>64,239</u>	<u>64,652</u>	<u>68,034</u>
Total Governmental Funds	<u>\$ 49,906</u>	<u>\$ 54,406</u>	<u>\$ 56,453</u>	<u>\$ 62,058</u>	<u>\$ 60,534</u>	<u>\$ 65,556</u>	<u>\$ 73,504</u>	<u>\$ 77,028</u>	<u>\$ 78,055</u>	<u>\$ 82,632</u>

CITY OF PLYMOUTH, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property taxes	\$ 23,299	\$ 26,030	\$ 27,465	\$ 29,037	\$ 28,633	\$ 28,547	\$ 29,336	\$ 29,721	\$ 30,017	\$ 31,184
Special assessments	172	152	134	128	86	88	92	82	76	36
Licenses and permits	3,138	3,420	3,828	2,272	2,466	3,242	3,942	4,232	5,078	5,954
Intergovernmental	8,019	10,824	8,099	7,687	8,399	6,809	4,923	5,658	13,181	11,569
Charges for services	3,050	3,551	3,238	3,422	4,061	4,635	4,235	4,483	4,840	4,680
Franchise fees	-	-	-	-	-	-	-	-	839	2,631
Fines and forfeitures	939	894	897	798	733	878	847	683	606	636
Contributions	1,424	633	705	92	1,151	1,476	897	2,178	1,301	3,582
Interest income (loss)	2,221	2,852	2,095	568	290	1,234	831	(1,093)	2,525	1,225
Loan repayments	-	-	-	5	7	7	7	7	8	8
Other revenue	445	459	278	227	333	262	207	226	291	389
Total Revenue	42,707	48,815	46,739	44,236	46,159	47,178	45,317	46,177	58,762	61,894
Expenditures										
General government	4,801	5,309	4,341	4,103	4,365	4,177	4,627	4,579	4,492	5,598
Economic development	-	-	-	-	226	953	354	346	673	690
Parks and recreation	5,548	6,072	6,219	6,300	6,621	6,744	6,815	6,821	7,314	7,624
Public safety	10,718	11,655	13,222	13,511	13,856	13,478	14,173	15,014	15,913	16,720
Public service	4,596	4,362	4,452	4,449	4,017	4,248	3,892	4,139	4,021	4,284
Public works	3,159	4,099	4,294	4,155	5,065	5,118	4,873	5,184	5,353	6,223
Interest on interfund advances	72	62	51	39	27	76	56	51	45	56
Debt service:										
Principal retirement	1,390	1,535	1,600	1,690	1,920	1,445	1,915	1,320	1,345	1,810
Interest and fiscal charges	783	723	752	759	682	652	649	727	646	601
Bond issuance costs	-	30	-	49	37	-	-	-	-	63
Capital outlay	11,821	17,174	11,235	7,636	11,909	10,289	8,255	7,788	23,691	15,773
Total Expenditures	42,888	51,021	46,166	42,691	48,725	47,180	45,609	45,969	63,493	59,442
Excess of revenues over (under) expenditures	(181)	(2,206)	573	1,545	(2,566)	(2)	(292)	208	(4,731)	2,452

CITY OF PLYMOUTH, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS-CONTINUED
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Other financing sources (uses)										
Transfers in	\$ 5,552	\$ 16,901	\$ 11,858	\$ 8,505	\$ 16,611	\$ 16,988	\$ 12,006	\$ 12,377	\$ 30,790	\$ 24,202
Transfers out	(4,292)	(12,945)	(10,384)	(8,449)	(14,658)	(11,965)	(8,926)	(9,061)	(25,033)	(20,918)
Bonds issued	-	2,715	-	3,935	2,990	-	4,815	-	-	3,295
Premium (discount) on debt	-	(7)	-	69	49	-	345	-	-	121
Payment on refunded bonds	-	-	-	-	(3,950)	-	-	-	-	(4,575)
Sale of capital assets	-	42	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,260</u>	<u>6,706</u>	<u>1,474</u>	<u>4,060</u>	<u>1,042</u>	<u>5,023</u>	<u>8,240</u>	<u>3,316</u>	<u>5,757</u>	<u>2,125</u>
Net change in fund balances	<u>\$ 1,079</u>	<u>\$ 4,500</u>	<u>\$ 2,047</u>	<u>\$ 5,605</u>	<u>\$ (1,524)</u>	<u>\$ 5,021</u>	<u>\$ 7,948</u>	<u>\$ 3,524</u>	<u>\$ 1,026</u>	<u>\$ 4,577</u>
Capitalized expenditures	8,072	14,472	10,669	6,141	11,909	10,289	8,255	8,005	23,860	15,963
Debt service as a percentage of noncapital expenditures	6.24%	6.18%	6.63%	6.70%	7.07%	5.68%	6.86%	5.39%	5.02%	5.55%

CITY OF PLYMOUTH, MINNESOTA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>
2006	\$ 23,299
2007	26,030
2008	27,465
2009	29,037
2010	28,633
2011	28,547
2012	29,336
2013	29,721
2014	30,017
2015	31,184

CITY OF PLYMOUTH, MINNESOTA
ASSESSED VALUE/TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except for population and direct tax rate)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Population (1)	70,676	71,147	71,536	72,268	70,576	71,263	72,644	72,969	73,633	74,016
Real Property										
Assessed/tax capacity value	\$ 102,569	\$ 112,009	\$ 121,295	\$ 122,107	\$ 116,187	\$ 108,748	\$ 103,968	\$ 103,542	\$ 105,159	\$ 112,282
Estimated market value	\$ 8,690,753	\$ 9,440,899	\$ 10,041,803	\$ 10,012,350	\$ 9,548,268	\$ 8,973,492	\$ 8,802,943	\$ 8,704,104	\$ 8,872,822	\$ 9,510,688
Personal Property										
Assessed/tax capacity value	\$ 913	\$ 1,023	\$ 943	\$ 942	\$ 944	\$ 1,021	\$ 1,071	\$ 1,219	\$ 1,296	\$ 1,378
Estimated market value	\$ 45,985	\$ 51,652	\$ 47,578	\$ 47,640	\$ 47,820	\$ 51,696	\$ 54,454	\$ 61,736	\$ 65,587	\$ 69,647
Total Real and Personal Property										
Assessed/tax capacity value	\$ 103,482	\$ 113,032	\$ 122,238	\$ 123,048	\$ 117,131	\$ 109,769	\$ 105,039	\$ 104,761	\$ 106,455	\$ 113,660
Estimated market value	\$ 8,736,738	\$ 9,492,551	\$ 10,089,381	\$ 10,059,990	\$ 9,596,088	\$ 9,025,188	\$ 8,857,397	\$ 8,765,840	\$ 8,938,409	\$ 9,580,335
Total direct tax rate (2)	23.75	23.75	23.35	24.86	26.01	27.49	28.72	29.81	30.12	28.38

Source: Hennepin County

(1) See the Schedule of Demographic and Economic Statistics for population data.

(2) See the Schedule of Direct and Overlapping Property Tax Rates for the direct tax rate data.

**CITY OF PLYMOUTH, MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31	City of Plymouth Rates			Overlapping Rates (1)									
	Housing & Redevelopment Authority		Total City Rate	Hennepin County Operating	Other Districts Operating	School Districts				Watershed Districts			
	Operating					Dist #270 Operating	Dist #279 Operating	Dist #281 Operating	Dist #284 Operating	Dist #2 Operating	Dist #3 Operating	Dist #7 Operating	Dist #8 Operating
2006	23.20	0.55	23.75	41.02	6.99	21.57	21.82	28.49	21.89	-	1.07	0.43	0.07
2007	23.28	0.47	23.75	39.11	7.31	19.02	23.76	28.75	20.25	-	1.12	0.12	-
2008	22.89	0.46	23.35	38.57	7.40	19.22	19.71	27.24	19.67	-	1.40	0.65	0.27
2009	24.37	0.49	24.86	40.41	7.15	20.08	21.03	27.21	20.41	-	1.49	0.54	0.05
2010	25.50	0.51	26.01	42.64	8.14	23.05	22.38	28.62	23.31	-	1.51	0.69	0.08
2011	26.94	0.55	27.49	45.84	9.17	26.46	24.22	34.39	24.03	-	1.61	0.67	0.57
2012	28.15	0.57	28.72	48.23	9.52	29.27	24.93	32.81	25.33	-	1.71	0.62	-
2013	29.24	0.57	29.81	49.46	10.09	29.73	27.97	32.35	25.24	-	1.77	0.84	0.10
2014	29.55	0.57	30.12	49.96	10.56	32.36	29.82	34.78	24.57	-	1.81	0.75	-
2015	27.85	0.53	28.38	46.40	9.80	30.34	27.16	33.23	26.25	0.13	1.74	0.78	0.26

Source: Hennepin County

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Plymouth. Not all overlapping rates apply to all City of Plymouth property owners (e.g., only one school district will assess taxes to any one given property).

**CITY OF PLYMOUTH, MINNESOTA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
 (amounts expressed in thousands)**

Taxpayer	2015			2006		
	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value
St Paul Properties Inc	\$ 1,045	1	0.92%	\$ 1,090	2	1.06%
Talcott III Atria LLC	866	2	0.76%	-	-	-
MU Plymouth Ponds LLC	789	3	0.69%	-	-	-
HSRE-WH Mob LLC	652	4	0.57%	-	-	-
GS Park Place LLC	641	5	0.56%	-	-	-
Stoneleigh Apartments LLC	625	6	0.55%	-	-	-
505 Waterford LLC	621	7	0.55%	501	10	0.49%
FW MN - Rockford Road LLC	560	8	0.49%	-	-	-
AEW LT Vicksburg LLC	531	9	0.47%	-	-	-
One Two Holding LLC	495	10	0.44%	-	-	-
Carlson Companies	-	-	-	1,879	1	1.83%
Liberty Property Ltd. Partnership	-	-	-	838	3	0.82%
Sentinel Real Estate Corp.	-	-	-	772	4	0.75%
Equity Residential Property Trust	-	-	-	759	5	0.74%
Principal Life Insurance Co.	-	-	-	756	6	0.74%
OPUS Real Estate MN LLC	-	-	-	580	7	0.57%
West Health Inc	-	-	-	527	8	0.51%
OPUS Real Estate MN LLC	-	-	-	521	9	0.51%
	<u>\$ 6,825</u>		<u>6.01%</u>	<u>\$ 8,223</u>		<u>8.02%</u>

Source: Hennepin County.

CITY OF PLYMOUTH, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 23,765	\$ 23,030	96.91%	\$ 164	\$ 23,194	97.60%
2007	25,889	25,679	99.19%	199	25,878	99.96%
2008	27,485	26,960	98.09%	275	27,235	99.09%
2009	28,899	27,915	96.60%	264	28,179	97.51%
2010	28,727	27,797	96.76%	231	28,028	97.57%
2011	28,728	27,748	96.59%	222	27,970	97.36%
2012	28,728	28,411	98.90%	157	28,568	99.44%
2013	29,185	28,870	98.92%	118	28,988	99.32%
2014	29,770	29,511	99.13%	72	29,583	99.37%
2015	30,365	30,420	100.18%	-	30,420	100.18%

CITY OF PLYMOUTH, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year Ended December 31	Governmental Activities			Business- Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita(1)
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Financing Bonds	Water Revenue Bonds			
2006	\$ 12,500	\$ 2,730	\$ 4,119	\$ 11,351	\$ 30,700	1.20%	\$ 434
2007	14,293	2,160	4,065	10,628	31,146	1.02%	438
2008	13,349	1,575	3,990	9,885	28,799	0.87%	403
2009	13,861	980	6,382	9,127	30,350	0.90%	420
2010	14,259	370	3,741	8,344	26,714	0.82%	379
2011	13,044	285	3,575	7,541	24,445	0.73%	343
2012	16,732	-	3,374	12,042	32,148	0.96%	443
2013	15,576	-	3,163	11,073	29,812	0.85%	409
2014	14,420	-	2,938	5,127	22,485	0.65%	305
2015	12,494	-	1,852	4,176	18,522	0.54%	250

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF PLYMOUTH, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year Ended December 31	General Obligation Bonds	Less: Amounts Available in Debt Service Fund(2)	Total	Percentage of Estimated Actual Taxable Value of Property(1)	Per Capita(1)
2006	\$ 30,700	\$ 1,852	\$ 28,848	0.12%	\$ 149
2007	31,146	2,129	29,017	0.13%	170
2008	28,799	2,248	26,551	0.11%	154
2009	30,350	3,913	26,437	0.26%	366
2010	26,714	2,505	24,209	0.25%	343
2011	24,445	3,311	21,134	0.23%	297
2012	32,148	8,192	23,956	0.27%	330
2013	29,812	7,767	22,045	0.25%	302
2014	22,485	7,523	14,962	0.17%	203
2015	18,522	2,213	16,309	0.17%	220

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value/Tax Capacity Value and Estimated Market Value for property value data and population.

(2) The City is using governmental net position restricted for debt service. We believe this to be the best amount available to present a consistent net amount when refunding bonds are held for payment, which are not restricted on entity-wide statements due to conversion for full accrual accounting.

CITY OF PLYMOUTH, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable *</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Hennepin County	\$ 1,037,450	7.7%	\$ 53,024
ISD #270 (Hopkins)	167,575	3.4%	5,587
ISD #279 (Osseo)	185,165	9.9%	10,775
ISD #281 (Robbinsdale)	153,042	25.0%	37,636
IDS #284 (Wayzata)	175,910	54.9%	87,557
Metropolitan Council	1,485,892	3.6%	2,398
Three Rivers Park District	72,145	10.5%	5,198
Hennepin County Regional Railroad Auth.	34,695	10.5%	3,604
Subtotal, overlapping debt			<u>205,779</u>
City of Plymouth direct debt			<u>14,346</u>
Total direct and overlapping debt			<u>\$ 220,125</u>

Source: Hennepin County, Minnesota

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Plymouth. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Plymouth. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

* The percentage applicable to the City of Plymouth was determined by dividing the portion of tax capacity within the City by the total tax capacity of the taxing jurisdiction.

**CITY OF PLYMOUTH, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 172,690	\$ 188,344	\$ 301,248	\$ 301,800	\$ 287,883	\$ 270,756	\$ 265,722	\$ 262,975	\$ 268,152	\$ 287,410
Total net debt applicable to limit	10,553	12,081	11,022	9,827	11,605	10,388	8,844	8,274	7,690	10,183
Legal debt margin	<u>\$ 162,137</u>	<u>\$ 176,263</u>	<u>\$ 290,226</u>	<u>\$ 291,973</u>	<u>\$ 276,278</u>	<u>\$ 260,368</u>	<u>\$ 256,878</u>	<u>\$ 254,701</u>	<u>\$ 260,462</u>	<u>\$ 277,227</u>
Total net debt applicable to the limit as a percentage of debt limit	6.11%	6.41%	3.66%	3.26%	4.03%	3.84%	3.33%	3.15%	2.87%	3.54%

Legal Debt Margin Calculation for Fiscal Year 2015

Estimated taxable market value	\$ 9,580,335
Debt limit (3% of total market value)	287,410
Debt applicable to limit:	
Open Spaces GO Bonds 2007A	1,800
Open Space Bonds 2010A	2,335
Refunding Bonds 2012A	4,635
Open Space Bonds 2015A	3,295
Less: Amount set aside for repayment of general obligation debt	<u>(1,882)</u>
Total net debt applicable to limit	<u>10,183</u>
Legal debt margin	<u>\$ 277,227</u>

Note: Under State of Minnesota law, the City of Plymouth's outstanding general obligation debt should not exceed 3 percent of the market value of taxable property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

CITY OF PLYMOUTH, MINNESOTA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended December 31	Water Revenue Bonds						Special Assessment Bonds				
	Water-Sewer Utility Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage	
				Principal(1)	Interest			Principal	Interest		
2006	\$ 11,862	\$ 10,085	\$ 1,777	\$ 1,765	\$ 419	0.81	\$ 1,999	\$ 570	\$ 96	3.00	
2007	13,568	10,793	2,775	725	397	2.47	1,522	570	81	2.34	
2008	13,567	10,682	2,885	745	382	2.56	1,437	585	66	2.21	
2009	13,677	11,136	2,541	760	360	2.27	1,489	595	49	2.31	
2010	13,380	10,523	2,857	785	336	2.55	1,253	610	31	1.95	
2011	13,712	10,654	3,058	805	309	2.75	1,264	85	19	12.15	
2012	14,900	10,900	4,000	830	280	3.60	1,541	285	20	5.05	
2013	15,158	11,132	4,026	940	432	2.93	-	-	-	-	
2014	15,386	11,408	3,978	950	253	3.31	-	-	-	-	
2015	15,856	13,066	2,790	920	87	2.77	-	-	-	-	

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

Gross Revenue includes operating revenue, investment income and non-operating revenues exclusive of connection fees plus operating transfers in for other funds' share of debt service requirements.

Operating Expenses include personal services, materials and supplies, and contractual services.

(1) Refunding payments have been excluded.

**CITY OF PLYMOUTH, MINNESOTA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS**

Fiscal Year	Population (A)	Personal Income (In Thousands)	Per Capita Personal Income (B)	School Enrollment (C)	Unemployment Rate (A)
2006	70,676	\$ 2,566,175	\$ 36,309	53,102	2.9%
2007	71,147	3,053,772	42,922	53,251	3.7%
2008	71,536	3,293,231	46,036	51,262	6.4%
2009	72,268	3,370,869	46,644	51,215	6.0%
2010 (D)	70,576	3,275,079	46,405	51,116	6.1%
2011	71,263	3,363,257	47,195	51,807	4.6%
2012	72,644	3,346,927	46,073	51,553	4.3%
2013	72,969	3,515,428	48,177	51,480	3.6%
2014	73,633	3,456,922	46,948	51,613	2.6%
2015	74,016	3,432,492	46,375	51,425	2.6%

- Source:
- (A) Minnesota Department of Employment and Economic Development
 - (B) Metropolitan Council
 - (C) School district boundaries do not conform to city boundaries; enrollment totals include students from surrounding communities.
 - (D) US population census data; available every 10 years

**CITY OF PLYMOUTH, MINNESOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2015			2006		
	Employees	Rank	Percentage of Total Plymouth Employment	Employees	Rank	Percentage of Total Plymouth Employment
I.S.D. #284 (Wayzata)	1,505	1	3.07%	-	-	-
Aimia	1,000	2	2.04%	-	-	-
Select Comfort Corp	900	3	1.84%	475	6	1.16%
EV3, Inc	875	4	1.79%	-	-	-
St. Jude Medical	800	5	1.63%	-	-	-
Prudential Insurance Company	598	6	1.22%	1,600	2	3.91%
City of Plymouth	571	7	1.16%	-	-	-
Honeywell International	525	8	1.07%	500	5	1.22%
Nilfisk-Advance, Inc	500	9	1.02%	-	-	-
U.S. Foods	500	10	1.02%	400	8	0.98%
Carlson Companies	-	-	-	2,200	1	5.38%
US West Companies	-	-	-	700	3	1.71%
Boston Scientific	-	-	-	600	4	1.47%
Upsher-Smith Laboratories, Inc.	-	-	-	400	7	0.98%
Fortis Health	-	-	-	390	9	0.95%
Deltak Corp	-	-	-	370	10	0.91%
	<u>7,774</u>		<u>15.86%</u>	<u>7,635</u>		<u>18.67%</u>

Note: Data is based on the most current information available.

Sources: City Community Development Department, 2015 Ehlers

**CITY OF PLYMOUTH, MINNESOTA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Administration	10	10	10	10	11	8	9	8	8	12
Assessing	6	6	6	6	7	7	7	7	-	-
Finance	15	15	15	14	13	10	12	12	11	9
Inspection	12	12	12	12	12	10	11	11	11	12
Planning	11	11	11	11	11	11	11	11	12	12
Information Technology	7	7	8	7	7	5	6	6	6	6
Parks										
Administration	5	5	5	5	9	9	9	9	9	10
Park Maintenance	25	25	26	26	21	20	20	19	20	22
Plymouth Creek	5	5	5	6	5	5	5	5	5	5
Ice Center	5	5	5	5	4	5	5	5	5	4
Public Safety										
Police- Sworn	67	69	70	70	66	68	64	67	71	71
Police - Civilian	16	16	17	16	17	15	16	17	17	13
Fire Prevention	2	2	2	2	-	-	-	-	-	-
Full Time Fire Fighters	7	7	7	6	6	6	6	6	6	6
Public Works										
Engineering	18	17	17	17	13	13	10	9	11	11
Streets	19	18	19	19	13	13	13	13	15	16
Central Equipment	4	4	4	4	5	5	6	6	6	5
Recycling Administration	1	1	1	1	2	2	1	1	1	1
Risk Management	1	1	1	1	1	1	1	1	1	1
Building Management	2	2	2	2	2	2	3	2	2	2
Public Service										
House and Development	6	6	6	6	3	3	3	2	2	2
Sewer/Water	21	23	23	23	23	23	23	24	25	22
Transit	2	2	2	2	1	1	1	1	-	-
	<u>267</u>	<u>269</u>	<u>274</u>	<u>271</u>	<u>252</u>	<u>242</u>	<u>242</u>	<u>241</u>	<u>243</u>	<u>241</u>

**CITY OF PLYMOUTH, MINNESOTA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Medical calls	2,526	2,925	2,314	2,962	3,257	3,284	3,417	3,564	3,765	3,892
Traffic incidents	18,192	17,847	18,471	15,771	16,380	20,318	17,632	16,161	14,473	14,186
Citations	12,424	13,090	12,742	11,313	11,072	13,729	10,925	11,712	10,140	11,580
Other	20,233	18,297	10,772	17,118	17,398	13,582	14,254	12,831	13,982	15,063
Fire										
Inspections	2,321	2,301	1,758	1,629	1,007	1,221	1,093	1,070	1,191	1,488
Fire calls - Fire	205	197	164	182	162	161	164	123	165	182
Fire calls - Pressure rupture/explosion	5	3	3	7	6	8	5	11	5	11
Fire calls - Rescue & EMS	120	145	151	153	172	194	207	208	235	222
Fire calls - Hazardous condition	154	178	143	145	202	152	141	185	128	129
Fire calls - Service calls	88	91	94	112	135	148	144	146	165	115
Fire calls - Good intent	276	374	333	302	377	411	347	378	381	386
Fire calls - False alarm/call	500	514	453	347	348	455	362	452	440	433
Fire calls - Severe weather/disaster	3	9	2	1	3	2	1	1	2	-
Fire calls - Special incidents	-	1	1	-	3	1	-	-	-	-
Inspections										
Permit related	8,908	16,942	17,464	14,568	18,036	18,043	19,641	17,750	20,370	23,468
Non-permit related	24,422	7,332	10,940	7,627	2,185	2,240	2,556	2,564	2,595	2,244
Recreation										
Hours of ice time	7,851	7,054	6,612	6,801	7,166	7,315	6,847	6,784	6,889	6,902
Number of programs	1,721	1,818	1,862	1,908	2,011	2,003	2,079	2,146	2,113	2,150
Plymouth Creek Center rentals	4,083	4,053	3,838	3,757	3,956	4,218	4,068	4,086	4,204	4,081
Water										
Gallons of water production (in thousands)	3,540,616	3,609,790	3,399,495	3,524,110	3,183,085	3,146,805	3,629,615	3,198,740	2,898,520	2,925,594
Watermain breaks	59	88	54	43	29	53	34	35	39	35
Publicworks										
Snowplowing hours	1,348	1,730	1,954	2,179	3,003	970	3,023	2,786	1,682	1,749

**CITY OF PLYMOUTH, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	21	25	38	38	33	23	17	19	21
Fire stations	3	3	3	3	3	3	3	3	3	3
Public works										
Trunk highways (miles)	20	20	20	20	20	20	20	20	20	20
Paved - County (miles)	28	28	28	26	26	26	26	26	26	26
Other streets & alleys (miles)	283	284	287	287	290	294	297	300	305	310
Sidewalks (miles)	9	9	11	11	12	12	12	12	12	17
Streetlights	2,910	2,910	2,973	2,984	3,028	3,059	3,042	3,133	3,181	3,219
Parks and recreation										
Acreage	1,000	1,200	1,273	1,273	1,400	1,410	1,685	1,688	1,691	1,670
Number of parks and playgrounds	45	49	49	50	50	50	50	52	54	65
Trails (miles)	110	110	136	136	136	137	140	145	145	158
Community center	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	350	352	353	353	354	361	366	369	373	381
Fire hydrants:										
Private	1,545	1,545	1,562	1,569	1,571	1,571	1,573	1,579	1,588	1,599
Public	4,297	4,333	4,345	4,429	4,434	4,528	4,580	4,638	4,703	4,700
Wastewater										
Sanitary sewer (miles)	307	309	309	309	309	319	322	325	328	334
Storm sewer (miles)	129	133	134	134	134	140	143	146	150	157

Sources: Various city departments.

Note: No capital asset indicators are available for the general government function.